



Mid-term Implementation Review of the Seventh Five Year Plan (FY 2016–FY 2020)



General Economics Division (GED)
Bangladesh Planning Commission
Ministry of Planning
Government of the People's Republic of Bangladesh



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M. A. Mannan, MP
Minister
Ministry of Planning
Government of the People's Republic of Bangladesh

Message

I wish to extend my deep appreciation to the General Economics Division (GED) of Bangladesh Planning Commission for successful preparation of the Mid-Term Implementation Review (MTIR) of Seventh Five Year Plan. The MTIR provides an account of the progress and achievements of the 7th FYP during its first two and half years. The key findings of the Implementation Review of the 7th FYP will provide a constructive guideline of the crucial next steps to be adopted for the remaining plan period.

The Seventh Five Year Plan (7th FYP) articulates new strategies, institutions and policies, while strengthening the existing ones in order to accelerate economic growth and poverty reduction and comply with goals and targets under the Agenda 2030 for Sustainable Development. The 7th FYP built on the success of its predecessor the 6th FYP, is also considered as instrumental for realizing the remaining agenda of the Vision 2021 and the goals of the Perspective Plan 2010-2021 for Bangladesh to reinforce linkage between political commitment with long-term development goals of the country.

The MTIR of Seventh Five Year Plan reveals remarkable progress in the areas of economic growth; poverty reduction; improving quality of basic services and enhancing the quality of education, which are the fundamental factors in implementing the government's 7th five-year plan and achieve the SDG targets. With these positive changes, we will be able to continue our march towards graduating to a Middle-Income Country status by 2021.

The General Economics Division (GED) deserves special thanks for commissioning the splendid initiative. I am confident that this MTIR will serve as a guiding document to help Bangladesh attain its development aspirations under the 7th FYP through an inclusive, equitable and just society.

M. A. Mannan, MP



Dr. Shamsul Alam

Member (Senior Secretary)

General Economics Division

Bangladesh Planning Commission

On this Implementation Review

The Mid-Term Implementation Review (MTIR) of the Seventh Five Year Plan (FY 2016 - FY 2020) has been prepared by the General Economics Division (GED) of the Planning Commission to track performance of the Seventh Five Year Plan during the first two and half years of its implementation. This MTIR will play a pivotal role to assess and comprehend the attainments of the targets of the 7th FYP, as well as provide guidance for adjustment in programmes for attaining the targets in the remaining plan period. In addition to this, the lessons learnt from the review report (through result-based monitoring and evaluation) will provide valuable insights in the course of formulating the 8th Five Year Plan of Bangladesh.

Inspired by the successful implementation of the Sixth five-year plan (2011-2015), the government of Bangladesh embarked on the Seventh Plan covering 2016 to 2020 period. The Seventh Five Year Plan is the final five-year plan of the perspective plan 2010-2021. Inspired by the impressive performance of the 6th FYP, the 7th FYP laid out pragmatic targets for inclusive, pro-poor and people centric development. The 7th FYP has adopted a rigorous approach and comprehensive methodological framework in conducting the MTIR. This Results-Based Monitoring and Evaluation (RBME) report has been prepared in light of the Development Results Framework (DRF) of the 7th FYP.

This report shows that the performance of the Seventh Plan in terms of achieving major development targets relating to economic growth, employment and poverty reduction is generally positive. Development path of the country is moving on the higher curve with remarkable progress in GDP growth rates. The recent trend displays an incremental growth in GDP at 7.11% and 7.28% in FY 2016 and FY 2017 respectively. Satisfactory poverty reduction has been brought about by several factors, including moderate to high inclusive economic growth, social security schemes and pro-poor social policies (i.e. education, health and human development). While much has been achieved in terms of ensuring economic growth and poverty reduction, progress in employment generation, as revealed remained stagnated during the first two years of the 7th FYP.

In the FY 2016 and FY 2017, macroeconomic performance of the country shows a mixed trend. Although it highlights significant developments in economic growth, stability in the price level and growth in public investment; major concerns remain due to declining trend of remittances and weakness in export growth due to an unprecedented slowdown in global trade.

Owing to satisfactory sector development in the first two years, the growth acceleration process envisaged in 7th FYP has been projected to be realized by high-performing service and manufacturing sectors, while maintaining solid growth in agriculture. Despite being on course to achieve the target growth rate by FY 2020, the service sector experienced marginal decline over the last three years, mainly attributed to shortage of skilled manpower.

Infrastructural growth has been identified as a key determinant for achieving long-term development goals of the country. According to cross-country competitiveness ranking, the overall infrastructure score has marginally increased from 2.8 in 2015-16 to 2.9 in 2017-18 that improved the ranking of Bangladesh from 124 (out of 140 countries) to 116 (out of 137 countries). The performance of the Energy and power sector has been good during the last two fiscal years, however total share of renewable energy (i.e. 3.1 % in December 2017) was much below the target rate of 6%. Improved road network has been one of the high points in the first half of the Plan period with progressive increase in ADP allocation and expenditure for infrastructure.

The 7th FYP recognizes human resource management as crucial to foster long-term sustainable growth. Many of the quantitative targets in education and health sector have shown promising progress and thus would likely attain the desired targets by 2020. Primary education enrolments are now at an all-time high, with new initiatives to engage further participation at advanced stages of academics. However, the quality and gross enrolment in education, particularly in the secondary and tertiary level still must progress a long way to reach the desired benchmark. Several of the health indicators are on recovery, such as the maternal and neonatal mortality rate.

The Government of Bangladesh pinpoints social protection schemes as important tools for reducing poverty and income inequality. To this end, the 7th FYP pledges to ensure equal rights and opportunities for every citizen of the country. The Government's strong commitment towards reducing gender has been reflected in the recent performances of Bangladesh in gender equality indicators. According to The Global Gender Gap Report published by World Economic Forum, Bangladesh has been able to close the gender gap significantly, ranking top among the South Asian countries in gender parity for the fourth consecutive year.

Bangladesh is one of the most pro-active developing nations which has considered the issue of climate change seriously and subsequently achieved success in developing national level scientific expertise and government level actions on the environmental sustainability issues. The country has been widely recognized as a global model for disaster management, however review of DRF indicators on environmental management and climate change suggest slow progress with some unfinished agenda. The review suggests paucity of data as a major hindrance to formulate focused and results-oriented strategy for climate change mitigation and adaptation.

The Government of Bangladesh encompasses Digital Bangladesh as a fundamental development strategy for Bangladesh. Accordingly, government has formulated several acts, policies and guidelines to achieve the vision of Digital Bangladesh. ICT export has gained some growth since the Sixth Five Year Plan and was impressive in the start of Seventh Five Year Plan.

I take the opportunity to thank all my GED colleagues especially the officials of Poverty Analysis and Monitoring Wing of GED and Focal Points of relevant Ministries who helped us by providing timely data/information in preparation of this Report. We all from GED would like to convey our deepest gratitude to our Hon'ble Planning Minister Mr. M. A. Mannan, MP for his kind support and inspiration in bringing out this evaluation report.



Shamsul Alam, M.A. Econs., Ph.D

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EXECUTIVE SUMMARY

Use of results-based monitoring and evaluation methods are essential for successful implementation of plans. The first Perspective Plan of Bangladesh covering 2010 to 2021 is being implemented under two five-year plans – namely the Sixth Five Year (2010-2015) and the Seventh Five Year (2016-2020). The Sixth Five Year plan has already been implemented. During the implementation of the Sixth Plan two evaluations were carried out – one in 2012 and the other one in 2014. The Seventh Five Year Plan was adopted in 2016 covering 2016 to 2020 period. Successful implementation on any plan – short, medium and long – depends critically on the rigorous monitoring of targets. Following that tradition, review of the implementation of the first two years of the 7th FYP have been conducted. The main findings of the implementation review of the 7th FYP have been discussed in this report.

A rigorous approach and comprehensive methodological framework have been adopted in conducting the implementation assignment. This involves a comprehensive understanding of the Plan documents (i.e. Sixth and Seventh Plans) and their development results frameworks (DRFs); gathering of appropriate data and their subsequent analysis; and providing insightful assessments focusing on data analysis and identifying key reasons.

Two implementation reviews carried out during the Sixth Plan have been consulted to gather better understanding of the results framework of the medium-term plans. However, for MTIR of the 7th FYP, the focus is on the DRF of the Seventh Plan which was launched in FY 2016. The methodology is to gather information on as many variables as possible from 7th FYP DRF and analyze the information. 7th FYP DRF provides baseline values (i.e. for 2015) of the performance indicators and their targets (i.e. for 2020). Thus, collecting all the relevant quantitative information formed the basis for undertaking this RBME (Results-based monitoring and evaluation). The quantitative comparative assessments have been supplemented by sectoral and insightful analysis to provide underlying reasoning for the observed outcomes.

The MTIR has been based on secondary sources – generated from regular/special surveys as well as administrative data. GED has an in-house database utilizing information from the Bangladesh Bureau of Statistics, Bangladesh Bank, Export Promotion Bureau, National Board of Revenue and other sources. This database is carefully maintained and updated to detect discrimination among the same information cited in different organizations.

In addition, any evaluation of the relevant issues undertaken by the concerned ministries were consulted, which include: (1) Ministry of Environment, Forest and Climate Change; (2) Ministry of Agriculture; (3) Ministry of Education; (4) Ministry of Primary and Mass Education; (5) Ministry of Local Government, Rural Development and Cooperatives (6) Ministry of Power, Energy and Mineral Resources; (7) Ministry of Water Resources; and (8) Ministry of Road Transport and Bridges.

A. Growth, Employment and Poverty

GDP growth, employment generation and poverty reduction are the core development indicators in our development plans providing a useful summary scorecard of how the overall economy is progressing and whether the Plan is broadly on track.

Progress in growth and poverty reduction has been satisfactory. The GDP growth rates for FY 2016 and FY 2017 have been 7.11% and 7.28% respectively. This is a remarkable achievement. These growth statistics suggest that Bangladesh economy has been performing better than the projections made under the 7th FYP – which were ambitious. If these trends continue in the next three years of the plan period, the average growth rate of 7.4% set out in the 7th FYP would to be attained.

All three indicators of poverty measurement – (i) head count ratio; (ii) poverty gap; and (iii) poverty severity envisaged impressive progress in poverty reduction front. Poverty measurements are conducted using two poverty lines – (a) upper poverty line (UPL): used for poverty rate estimation; and (b) lower poverty line (LPL): adopted for measuring extreme poverty.

The head count ratio which was 31.5% in 2010 reduced to 24.3 % in 2016 implying a 1.2 % reduction rate per year between 2010 and 2016. Rural poverty has fallen from 35.2% in 2010 to 26.4% in 2016 while urban poverty rate declined to 18.9% in 2016 from 21.3% in 2010. Extreme poverty rate declined to 12.9% in 2016 from 17.6% in 2010 implying per annum extreme poverty reduction rate of 0.78%. The poverty gap has been estimated at 5.0% in 2016 compared to 6.5% in 2010 – implying a 1.5 percentage point reduction over 2010. The poverty gap among the extreme poor has been estimated at 2.3% in 2016 – suggesting a reduction rate of 0.8 percentage point during the period 2010 to 2016. Analogous to the poverty gap situation, severity of poverty has reduced during the period 2010 to 2016. The severity which was 2% in 2010 declined to 1.5% in 2016. For the extreme poor, it has reduced from 0.8% in 2010 to 0.6% in 2016.

Moderate to high inclusive economic growth buttressed by social security schemes and pro-poor social policies (i.e. education, health and human development) have been identified as the major factors for positive outcomes in poverty front. Moreover, the reductions of poverty gap indicate that average consumption or income level of the poor people (i.e. people below the poverty lines) has improved considerably during the period 2010 to 2016.

Employment generation rate is less than the 7th FYP targets. The 7th Plan set ambitious target of creating 12.9 million additional jobs which includes some 2 million jobs abroad for migrant workers. Since the employment data are unavailable at annual frequency, the comparison is made between the last two labor force surveys carried out in 2013 and 2015-16 by the BBS. A total of 1.46 million additional employment has been created between 2013 and 2016. Employment generation in the domestic market thus has been found less than the target set out in the first two years of the seventh plan.

Another important target of 7th FYP is to create decent jobs for the large pool of under-employed and new labor force entrants by increasing the share of employment in the manufacturing sector from 15.4 % in 2015 to 20 % in 2020. However, stagnation of employment generation in the manufacturing sector (i.e. manufacturing share remained at 14.4% in FY 2016 and FY 2017) and rise of informal employment share suggest decent job rate is not increasing at a desired level during the first two years of the 7th FYP.

B. Macroeconomic Management

Prudent macroeconomic management has been the hallmark of Bangladesh's long-term development. Overall, the macroeconomic performance displays a mixed bag of success. Important positive developments include improved economic growth, stability in the price level and growth in public investment., While the major concerns are declining remittances and weakness in export growth.

Inflation rate has been contained through the mix of prudent fiscal and monetary management. The headline inflation rate, as indicated by the CPI, declined to 5.4 % in FY 2017, which was lower than the targeted rate of 6 percent. In fiscal management, there has been some positive development, particularly as the tax-GDP ratio increased from 8.5 % in FY 2015 to 9.0 % in FY 2017. However, the realized tax-GDP ratio was far below the target of 11.5 % of GDP in FY 2017. For FY16 as well, the tax-GDP ratio (8.8 %) fell short of the target of 10.6 percent.

External sector has been associated with unfavorable developments, particularly in the last fiscal year (FY 2017). Both exports and imports as proportion to GDP were higher than targeted in FY 2016 but fell short of their respective targets for FY 2017. This was mainly due to an unprecedented slowdown in global trade affecting most countries in the world. The slowdown in workers' remittances has also been disappointing

both for FY 2016 and FY 2017. Remittances received in FY 2016 was \$14.7 billion against a target of \$17.3 billion implying a short fall of \$2.6 billion. The gap between actual and target in 2017 was even higher to \$ 6.5 billion. In FY 2017, actual inflow was \$12.6 billion against the targeted of \$19.1 billion. It has argued that the decline in petroleum prices and slowdown in global trade had led to a worldwide decline in remittance inflow.

It is recognized that, the unfavorable trends in remittances and exports to a large extent can be attributable to global phenomena. However, overall economic outlook during the remaining period of plan could critically depend on the performance of external resource flows in terms of exports, remittances and FDI. Thus, policy measures need to be explored to revitalize the export sector. Both export expansion and diversification are of critical importance.

C. Sector Development

The growth acceleration process envisions in 7th FYP has been projected to be realized by high-performing service and manufacturing sectors, while maintaining solid growth in agriculture. Moreover, the Plan emphasizes on raising the productivity of factors of production through adoption of new and appropriate technologies and diffusing digital technology and ICT. Accordingly, the emphasis is on the expansion of the modern services such that their share would reach to 17 % by the end of the plan. Against the targets specified, the manufacturing sector performance in the first two years under the plan is satisfactory. ***The manufacturing sector expand on average 11.33 % per annum during the first two years under the 7th FYP.*** It is worth noting that of the two periods under the 7th FYP, manufacturing growth in FY 2016 (11.69 %) was much higher than the 7th FYP target for the year (10.5 %). However, in FY 2017, manufacturing growth (10.97%) was marginally off the target (11 %). In the first two years under the 7th FYP, the agriculture sector's the growth rates have been lower than the targets, due to adverse circumstances faced by the sector. The service sector, the largest contributor to GDP in Bangladesh, is on course to achieve the target growth rate by FY 2020. The growth rate in FY 2017 reached 6.69 %, which was 6.25 % in the previous year. The share of modern services in all services however dropped slightly during the past three years. The service sector is constrained by the shortage of skilled manpower. ICT, tourism and financial services require high skilled professionals having technical or professional training on ICT and language skills.

The above trends of the sectors suggest several areas where more attention is needed. First, the incentive structure needs careful review and assessment for accelerating manufacturing sector's expansion. Evidence shows that trade policy is biased against non-RMG exports. This bias needs to be corrected so that non-RMG exports face a similarly positive export environment as RMG. Second, modernization of the service sector depends on infusion of technology, inflow of capital as well as adequately trained manpower. Thus, the modernization needs to be supported with appropriate regulatory policies, removing infrastructural bottlenecks and supply of trained manpower. Third, a revamp agricultural strategy may be required focusing on pricing policies to provide better incentives to farmers, improved rural infrastructure leading better marketing, and the further expansion of livestock and fisheries.

D. Infrastructure

The quality of infrastructure is one of the most essential pre-requisites for improving competitiveness of a country. It is now generally acknowledged that further expansion of the export volume in Bangladesh will critically hinge upon expanded, improved and reliable infrastructural facilities. Besides, for attracting FDI as well as mobilizing domestic private investment, quality infrastructure with uninterrupted power supplies is a key determinant. The 7th FYP provides a detailed strategy in this respect covering all aspects of physical infrastructures including those in power, energy, and transport sectors. Policy and institutional support is placed to help leverage private and public investments as well as public-private partnership (PPP) based financing.

Despite, Bangladesh's relative position in the cross-country competitiveness ranking, **overall infrastructure of the country has improved during the first two years of 7th plan.** The overall infrastructure score has marginally increased from 2.8 in 2015-16 to 2.9 in 2017-18 with the ranking improved from 124 (out of 140 countries) to 116 (out of 137 countries). The performance indices have risen for almost all the indicators related to transport and power sectors except for port infrastructure. The most visible progress has been made in **electricity where the index value has increased from 2.7 in 2015-16 to 3.7 in 2017-18.** Railroad infrastructure has also made notable progress from 2.5 to 2.9. Although the infrastructure quality has improved, the low score of most areas of infrastructure quality are suggestive of the challenges ahead.

The performance of the Energy and power sector has been good during the last two fiscal years. The total installed generation capacity has increased to 20,133 MW as of December 2018 (including renewable energy and captive power) from the base year capacity of 13,540 MW. This indicates a 25% expansion in installed power generation capacity. Transmission and distribution network has also expanded along with the development of generation capacity. Access to electricity has increased to 91 percent in FY 2018 against the of 85 percent. Although access to electricity is below the target, an impressive 8 percentage points additional electricity coverage has been achieved during the past two years. Performance indicators of the activities of Bangladesh Rural Electrification Board (BREB) show that it is on track to achieve the targets by FY2020. The number of new consumer connections has exceeded the target in the first two years of implementation. Despite these impressive progress, two concerns have been noted. First, the share of renewable energy (i.e. 3.1 % in December 2017) fell far short of the target rate of 6 percent. Second, contrary to seventh plan aims to secure a substantial increase in power generation from the private sector, the share of private sources in total installed generation capacity has substantially decreased during the first two years of the plan period. The share of the private sector in total electricity generation (excluding imported energy) has decreased from 43.45 percent in FY 2015 to 39.64 percent in FY 2017.

Efficient transport system is key to socio-economic development of the country. Accordingly, the 7th FYP places priority on the timely completion of transformational infrastructure projects. Priority was given on addressing the new strategic considerations regarding the Government's commitment to promote regional connectivity and supporting for the Trans-Asian Highway Project; addressing the anticipated Chattogram port capacity constraints; and, reforming the PPP strategy with a view to achieving stronger progress. It prioritize the development of rail, river and road based multimodal transport infrastructure system.

Road network surpasses the target. During the first two fiscal years of implementation, a total of 280.63 kilometers of new four-lane roads has been constructed suggesting that construction of other road network has already surpassed the target of 340 kilometers by FY 2020. But, the railway sector is lagging with respect to the 7th plan targets. During the first two years of the 7th plan, usable rail line has not been expanded. On the other hand, performance of Chattogram port has improved significantly in terms of cargo handled, vessels handled and container handled. The total cargo handled including inland and ICD increased from 61.73 million tons to 79.98 million tons between FY 2015 and FY 2017. The number of vessel handled increased from 2,566 to 3,091, and container handled increased from 18.67 million tons to 23.48 million tons during the period. Progresses have also been satisfactory related to major mega infrastructure. The ADP allocation and expenditure for infrastructure have increased progressively in line with the seventh plan.

Urban transportation remains a big challenge. The traffic congestion is increasing and getting worse. The BRT and MRT lines should be implemented in a timely manner to tackle the exponentially growing traffic in Dhaka. Besides, broader governance, institutional capacity building, improved traffic management along with adequate investment and policies will be critical for achieving infrastructure targets under the 7th Plan. Emphasis should be given on PPP projects for their quick delivery and implementation.

E. Human Resource Management

The Seventh Five Year Plan attaches special attention to build and improve the human capital of Bangladesh. It embraces several sectors such as education, health, population and nutrition. The assessment of performance shows progress in many front despite shortfalls and concerns in some areas. Many of the quantitative targets in education and health sector have shown promising progress and thus would likely attain the desired targets by 2020. **Primary education enrolments are now at an all-time high**, with new initiatives to engage further participation at advanced stages of academics. However, the quality and availability of education, particularly in the secondary and tertiary level still must progress a long way to reach the desired benchmark. **Several of the health indicators are on recovery**, such as the maternal and neonatal mortality rate. Yet, certain indicators may fall short of their targets. Health education, nutrition programs, family planning, child and maternal health still require additional focus to reach a satisfactory standard.

Moreover, other goals such as strengthening the management and governance capacity of these sectors and improving the quality of the services have made limited progress. Based on the evaluation, following strategies are required for improved performance in the rest of the 7th FYP:

First, the overall total fertility rate stood at 2.10, with rural TFR at 2.38 and urban TFR at 1.68. Annual population growth rate is 1.1% as of 2016. Thus concerted effort are needed considering a total population of over 160 million (as of 2016) and a density of 1,090 per sq. km. Given the higher TFR of the rural areas, additional concentration on the rural population for effectively reaching the 2020 target.

Second, resource allocation to the social sector is low in Bangladesh. Thus, more resources must be allocated for human resource development. The target should be to allocate at least 1-2% of GDP more resources to these activities by the end of the Plan period.

Third, the coordination across Government agencies (between ministries, directorates and other levels) needs to be improved. Greater decentralization, with responsibilities and budgets divided between the different institutions and levels, will help this coordination process considerably. This will avoid overlaps of projects and programmes and ensure that the objectives and targets are aligned. The ongoing work on the medium-term budgetary framework and the move towards district-level budgeting are all steps in the right direction.

Fourth, the Implementation still relies on administrative reforms and more responsible effort from the government bodies, including the ministries, directorates and other institutes. Infrastructural improvement remains a much-sought intervention to accelerate the supply of required services. Training sessions need to be arranged for a more competent workforce. These issues again trace back to the requirement of a significant public and budgetary allocation to ensure sustained advancement towards accomplishing majority of the goals of 7th FYP.

F. Women Empowerment, Social Inclusion and Social Protection

The Government of Bangladesh is pledged to ensure equal rights and opportunities for everyone citizen across all regions of the country. Social protection schemes are important apparatus for reducing poverty and income inequality. The 7th FYP also emphasised on ensuring equal rights and opportunities for all men and women within the country. The gender strategy of the 7th FYP is centered on strategies and action plans aimed at increasing the access to resources and opportunities for women along with enhancing their capabilities, and reducing structural and institutional barriers in order to establish equal rights for women.

Poverty reduction targets are broadly on track on both fronts – moderate and extreme poverty. However, rate of poverty reduction has revealed sign of slowing down. Another concern is the rise of inequality of resources.

Recent statistics of ‘Gini coefficient’ and ‘Palma ratio’ suggests widening of inequality measured both by income and consumption approach.

Women empowerment has progressed well in most dimensions. The Government’s strong commitment towards reducing gender gap has been reflected in the recent performances of Bangladesh in gender equality indicators. According to The Global Gender Gap Report published by World Economic Forum, Bangladesh has been able to close the gender gap significantly over the last year, ranking top among the South Asian countries in gender parity for the fourth consecutive year. Overall, the analyses of the progress of implementation of 7th FYP targets regarding gender equality reveal that Bangladesh is on track in achieving greater gender parity with a need for increased effort in ensuring safety of women and children.

Regarding social inclusion, the Seventh Plan’s strategy and programmes are broadly on track. Several laws have been formulated by the government to implement the social inclusion targets of 7th FYP, they include: Rights and Protection of Persons with Disabilities Act 2013, The Maintenance of Parents Act, 2013, The Protection Trust for the Person’s with Neuro-Developmental Disabilities Act, 2013 have already been enacted. The Protection Trust for the Person’s with Neuro-Developmental Disabilities Rules, 2015, The Vagrants and Homeless Person’s (Rehabilitation) Rules, 2015, The Rights and Protection of Person’s with Disability Rules, 2015, Social Services Department (Gazette and Non-gazette) Recruitment Rules, 2013 and National Policy on Senior Citizens 2013 have been formulated.

Progress on social protection front has been satisfactory. One of the prime objectives of NSSS is programme consolidation along the life cycle risks. Although there is a long way to attain the desired consolidation, a consolidation process is in place. Numbers of schemes which were 145 in FY 2015 dropped to 118 schemes in FY 2018. Another important feature is that even though the number of social security programmes has been falling, the budget allocation for social security has shown a trend of gradual rise in absolute amount—especially during the first few years of the 7th FYP. Moreover, government has been able to preserve the allocation at around 2 % of GDP and around 13 % of the national budget in past few years. Resource allocation and programme consolidation of the social security schemes have been moving along the NSSS proposed life cycle risk approach. It is found that in FY18, allocation to life cycle risk based schemes is around 72% of the total social protection budget. Life cycle based allocation was around 50% in FY 2015 – suggesting marked improvement in FY 2018 compared to FY 2015. However, the most significant development in social protection area is the development of the national action plan for implementing NSSS proposals.

Some measures may help improve the performances. (i) Social protection budget needs be increased along with improving beneficiary selection and delivery of payment. Such a move will help ensure pace of poverty reduction as well as arresting the curse of inequality. (ii) Gender statistics must be made available for better policy making. In this context, production capacity of BBS and user capacity of GED and MOWCA need to be enhanced.

G. Climate Change and Disaster Management

Bangladesh is one of the most pro-active developing nations which has considered the issue of climate change seriously and subsequently achieved success in developing national level scientific expertise and government level actions on the environmental sustainability issues. The Seventh Plan has continued to push ahead with its policies and programmes.

Review of DRF indicators on environmental management and climate change suggest slow progress with large unfinished agenda. **Paucity of data and statistics prevents assessment of progress adequately.** A more focused and results-oriented strategy along with associated policies, regulations, incentives, investment and capacity building are needed.

Bangladesh has been considered a successful model for disaster management. It has been a key a hall mark of developmental success. Accordingly, the disaster management programmes have generally performed well under the Seventh Plan. The ability to sharply reduce the loss of lives and injuries based on a combination of early warning system, construction and availability of shelters and timely provision of relief and support measures. However, further efforts are needed to build the resilience of the people and minimize the adverse impacts of natural disasters on people's livelihood. Long-term planning and substantial public investment in these areas will be necessary. The proposed Delta Region Project will likely make a major impact in this regard.

H. ICT Development

The Government of Bangladesh encompasses the Digital Bangladesh as a fundamental development strategy for Bangladesh. Accordingly, government has formulated several acts, policies and guidelines to achieve the vision of Digital Bangladesh.

Progress has been made in several front. ICT exports have gained some growth since the Sixth Five Year Plan and was impressive in the start of Seventh Five Year Plan. The trend in ICT service exports over the period of 2012 to 2016 (5 years) **shows a steady rise in ICT service exports.** ICT service exports stood at \$1,128 million in 2016. As a part of **the government's e-administration goals, the government has successfully made all information of the ministries and other relevant notifications in Bangla and made accessible to the public.** The national portal of the government of Bangladesh has information from all the ministries to the unions. Government has trained and involved around 50,000 government officials to maintain updated data on these websites.

The national ICT infra-Network for Bangladesh Government Phase II has been established successfully. The project has implemented 800 video conferencing system at different ministries, departments and Upazilla office. The project has now extended to Phase III. Bangladesh ICT Infrastructure has also been satisfactory in the recent years. Against the tele density target of 90%, more than 70% has been achieved. Bangladesh has also joined the South Asian Sub Regional Economic Cooperation (SASEC) in order expand the internet connectivity not only nationally but also regionally. Optical Fiber Cable Network development in 1000 union parishad and 290 Upazilla has been completed. Additionally, installation of Wireless Broadband Network for Digital Bangladesh (4G, LTE) has been implemented. Further, NGN (IMS) based Telecommunication Network for Digital Bangladesh (NTN)- an OFC 300 km network has been installed and the project completed in 30 June, 2017. Public resource allocation to this sector also recorded huge leap. **There has been a more than 400% increase in the budgetary allocation** from TK. 955 crore in 2015-16 to TK. 3,974 crore in 2017-18. The trend shows an increasing allocation for the ICT division with the highest being the current year, an amount of TK. 3,974 crore. Development allocation has increased to TK. 3,765 crore in 2017-18 from TK. 1,595 crore in 2016-17.

Chapter One
Methodology and Approach:
Mid-term Implementation Review of the
Seventh Five Year Plan

Chapter One

Methodology and Approach: Mid-term Implementation Review of the Seventh Five Year Plan

Background and Overview

The first perspective plan of Bangladesh covering 2010 to 2021 is being implemented under two five-year plans – namely the Sixth Five Year (2011-2015) and the Seventh Five Year (2016-2020). The Sixth Five Year plan has already been implemented. Inspired by the successful implementation of the Sixth five-year plan (2011-2015), government of Bangladesh embarked on the Seventh Plan covering 2016 to 2020 period. Successful implementation of any plan – short, medium and long – depends critically on the close monitoring of targets. During the implementation of the Sixth Plan two evaluations were carried out – one in 2012 and the other one in 2014. Following that tradition, review of the implementation of the first two years has been conducted. The main findings of the implementation review of the 7th FYP have been discussed in this report.

Methodology

A rigorous approach has been adopted and methodological framework has followed in conducting the assignment. This involves a comprehensive understanding of the Plan documents (i.e. Sixth and Seventh Plans) and their development results frameworks (DRFs); gathering and analysis of appropriate data; and providing insightful assessments that is not limited to describing the data only but to provide underlying reasoning as well.

In order to gather better understanding of the results framework of the medium-term plans, the first implementation review (of the 6th Plan) which was carried out in July 2012 and the second mid-term evaluation of the Plan which was undertaken in 2014 was consulted. However, for Mid-term Review (MTIR) of the 7th FYP, the focus is on the Development Result Framework (DRF) of the Seventh Plan which was launched in FY 2016. The methodology is to gather information on as many variables as possible from 7th FYP DRF and analyze the information. 7th FYP DRF provides baseline values (i.e. for 2015) of the performance indicators and their targets (i.e. for 2020). Thus, collecting all the relevant quantitative information formed the basis for undertaking this RBME. The quantitative comparative assessments have been supplemented by sectoral and insightful analysis to provide underlying reasoning for the observed outcomes.

The Mid-Term Implementation Review (MTIR) has been based on secondary sources – generated from regular/special surveys as well as administrative data. GED has an in-house database utilizing information from the Bangladesh Bureau of Statistics, Bangladesh Bank, Export Promotion Bureau, National Board of Revenue and other sources. This database is carefully maintained and updated to identify and scrutinize and apparent inconsistencies and/or anomalies between the same information quoted by different agencies differently.

In addition, any evaluation of the relevant issues undertaken by the concerned ministries were consulted, which include: (1) Ministry of Environment, Forest and Climate Change; (2) Ministry of Agriculture; (3) Ministry of Education; (4) Ministry of Primary and Mass Education; (5) Ministry of Local Government, Rural Development and Cooperatives (6) Ministry of Power, Energy and Mineral Resources; (7) Ministry of Water Resources; and (8) Ministry of Road Transport and Bridges.

Result Based Monitoring Framework

The Sixth Five Year plan presented the idea of result-based monitoring and evaluation for the first time in Bangladesh. In order to be consistent with the attitude of the indicative plan, the Sixth Plan was taken as

living documents, which would be monitored for the results and considering these results, changed and adapted and the global and domestic economic environment would be changed. The Sixth Plan document included a Development Results Framework (DRF), which set the target of quantitative criteria to evaluate the results achieved under Sixth Plans.

The first implementation review of the Sixth Plan was done in July 2012 using the RF. This was a pilot review aimed at obtaining a quick check of whether the Sixth Plan was on course and to test the implementation of the DRF. The results of this first review suggested the need to modify the DRF to better reflect the goals of the Sixth Plan and to provide a better results framework for longer-term institutional progress such as in the area of governance. Accordingly, DRF was modified, which provided a more appropriate basis for looking at the performance of the Sixth Plan after its completion.

More specifically, the 2014 implementation review presented analysis both at macro and sectoral levels which contained 35 measurable indicators under nine broad themes. The DRF approach used in the mid-term review provided a solid basis for assessing the quantitative sectoral targets and benchmarks for nine thematic goals of the original RF with more disaggregated targets contained in the Sixth Plan. The Seventh Plan adopted an extended DRF. It contains almost 88 measurable indicators (Table 1.1).

Table 1. 1: National priority areas and corresponding number of indicators identified in the Development Regulatory Framework (DRF)

National Priority	Number of Performance Indicators
1. Macroeconomic Stability and Economic Growth	14
2. Poverty Reduction	4
3. Education	8
4. Health	13
5. Water & Sanitation	2
6. Transport and Communication	7
7. Power, Energy and Mineral Resources	4
8. Gender and inequality	6
9. Environment, Climate Change and Disaster Management	9
10. Information and Communication Technology (ICT)	4
11. Urban Development	3
12. Governance	6
13. International Cooperation and Partnership	3
14. Employment Growth	3
15. Agriculture	2

Structure of the 7th FYP MTIR

The approach followed in the 7th FYP MTIR is to evaluate the performance of the Seventh Plan against the core development objectives of the Plan, indicating which targets are on course and which are not, and provide suggestions for revised targets. The MTIR report composed of 11 chapters.

Following this introductory chapter, **Chapter two** assesses the broad developmental impact based on the progress with GDP growth and poverty reduction. These two core development indicators provide a useful summary barometer of how the overall economy is progressing and whether the Plan is broadly on track. The Seventh Plan aims to achieve an average GDP growth of 7.4% per year over the 5 year-period of the Plan. The growth of GDP along with other supportive policies and programmes (e.g. private-public investment, ADP implementation etc.) is expected to lower poverty to 18.7% by 2020. Against these targets, Chapter two of assesses the progress attained during the first two years of the Plan period. It pointed out areas of strengths and areas where implementation has been slow. It also seeks to provide an analysis of the factors that explain the current performance regarding GDP growth, and poverty reduction and identify any constraints that might be hampering progress.

Chapter three takes stock of the progress with the structural transformation of economy, assess the constraints and suggest policy reforms strengthening economic performances key sectors of the economy such as agriculture, manufacturing and services. More specifically, the growth strategy in the Seventh Plan targeted to achieve 8 % plus GDP growth for manufacturing with a view to achieving the required structural transformation of the Bangladesh economy from a primarily agrarian and informal services economy to a more modern manufacturing and organized service-based economy. This structural transformation is required to achieve the employment targets of the Seventh Plan. A key element of the agriculture development strategy suggested in the Seventh Plan is the fostering of production diversification away from low income crops towards higher value-added crop and non-crop production. Higher income from agriculture is an important element of the underlying poverty reduction strategy of the Seventh Plan. Employment generation prospects and challenges are also addressed in the chapter from perspectives of broad sectors – agriculture, industry and services; and locations – domestic and external.

Stable macroeconomic environment has been a hallmark of long-term economic policy in Bangladesh promoting the growth of the private sector. Progress with the implementation of the macroeconomic framework of the 7th FYP has been reviewed in *Chapter four*. The macroeconomic framework contains targets for inflation, current account balances, growth of external trade, foreign currency reserves, fiscal balances (i.e. revenue and expenditure), external and domestic debt, public resource mobilization and saving and investment balances. The actual macroeconomic framework needs to be consistent with the GDP growth, employment and poverty reduction targets of the Seventh Plan. Shortfall in implementation of the macroeconomic framework will likely explain most of the shortfall in the GDP growth, employment and poverty reduction targets.

Chapter Five investigates the important emerging aspect of urban development and urbanization. The Chapter reviews the progress made so far in following important areas: urban housing; urban transportation; urban poverty reduction strategies and urban governance strategies.

Along with the development of the physical resource, human resource development is also needed for inclusive growth. The focus of *Chapter Six* is on tracking the progress with Human Resource Development. The Seventh Plan places considerable emphasis on Human Resource Development both as a means for accelerating GDP growth through investment in human capital as well as a basis for reducing poverty and achieving more equitable development by strengthening the capabilities of the labour force. Specific targets for expansion as well as quality enhancements in education, health-nutrition and population growth are included in the Plan. The implementation strategy focuses on service delivery improvement, higher levels of public financing and institutional reforms. This chapter analyzes the major developments took place so far in education, training, health, population and nutrition against key targets.

Chapter Seven deals with the progress made in safe drinking water supply, sanitation and hygiene. The chapter assesses the progress attained so far against the targets – especially in the area of supply of safe drinking water both in rural and urban locations; sanitation and hygiene promotion.

All-important issue of progress with infrastructure development is dealt in *Chapter Eight*. Given that the infrastructure gaps are still large in Bangladesh, Seventh Plan attaches considerable importance on the growth of physical infrastructure. Major expansion programmes in power and gas supplies were identified for implementation. Important programmes for improving roads, highways, bridges, and water and rail transport networks have been included in the Plan. The financing strategy emphasized both public funding as well as financing based on public-private-partnership (PPP). Effective implementation of this program is essential to realize the ambitious GDP growth targets of the Seventh Plan. The progress made in realizing the Plan targets for infrastructure development relating to electricity, gas and transport network have been examined in this chapter. The chapter also assesses the aspects of physical expansion as well as efficiency and service delivery. It provides an assessment of progress made, identifies the main constraints and provides suggestions for the coming years.

One of the key themes of the Seventh plan is to attain equitable development through focusing on strategies relating to poverty reduction, social protection, social inclusion and women empowerment. *Chapter Nine* looks at the developments relating to poverty, social protection and female empowerment. More specifically, the Plan puts substantial emphasis on policies and programs for reducing poverty, reducing income inequality, lowering regional imbalances, improving social protection mechanisms and enhancing female empowerment. Two core elements of the strategy for achieving better equity is improvement in Human Resource Development and productive employment. In addition to these aspects, the Seventh Plan identifies specific and targeted policies and programs. This Chapter draws on the relevant analysis in earlier chapters, especially chapters 2 and 6 reviews the developments in these areas and provides an assessment of progress achieved based on available quantitative targets and a qualitative analysis.

Progress with sustainability of development, focusing on environment, climate change and disaster management has been reviewed in *Chapter Ten*. To preserve the long-term sustainability of development, the Seventh Plan adopted major policies and programs in the areas of environment, climate change and disaster management. Two important specificity of this area include: progress is long-term in nature; and scarcity of data for quantitative measurement of performance. The Chapter reviews the progress with the implementation of the targets and major policy and institutional initiatives in these areas and provides an assessment of whether progress is on track. Suggestions for improving performance over the longer term are provided as appropriate.

Promotion of knowledge economy through expansion of ICT has been a major innovation of the 7th FYP strategy. The Seventh plan places strategic importance on ICT infrastructure; ICT education; and implementation of ICT policies. It also set targets for ICT growth and exports. Chapter Eleven is dedicated to evaluate progress in ICT development. The chapter discusses the progress made so far with respect to ICT policies; infrastructure; education; e-governance, ICT exports and revenue generation. It also provides status on financing and investment in ICT sector.

Chapter Two
Progress with Growth
Income and Poverty

Introduction

The Seventh Five Year Plan is the final five-year plan of the perspective plan 2010-2021. Inspired by the impressive performance of the 6th FYP the 7th FYP laid out ambitious targets for GDP growth, and poverty reduction. These two are also the core 7th FYP targets – the assessment of their progress would likely to provide a broad overview of the overall performance of the Seventh Plan. The rest of the chapter presents a detailed analysis of the progress in these areas and concludes with prospects and way forward.

Income and poverty Targets

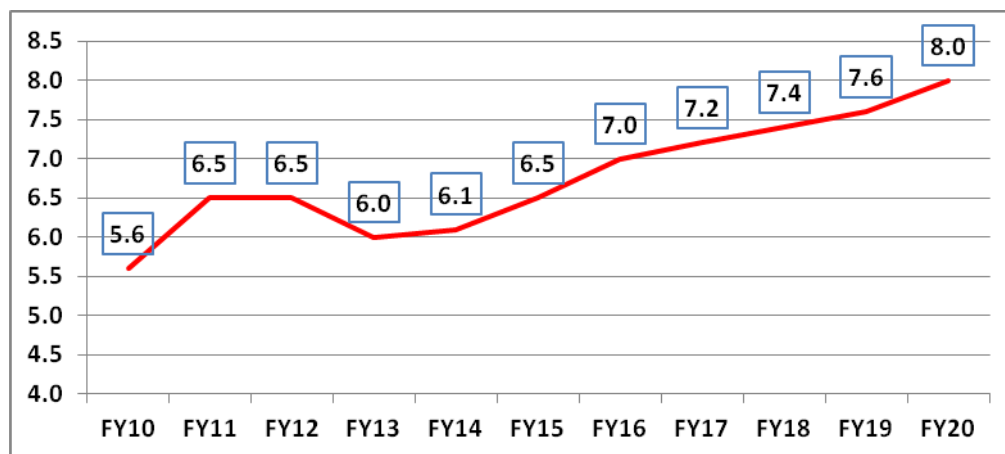
Income and Poverty reduction include following core targets:

- I. Attaining average real GDP growth rate of 7.4% per year over the Plan period.
- II. Reduction in the head-count poverty ratio by 6.2 percentage points.
- III. Reduction in extreme poverty by about 4 percentage points.
- IV. Creating good jobs for the large pool of under-employed and new labor force entrants by increasing the share of employment in the manufacturing sector from 15 percent to 20 percent.

GDP Growth Performance in the 7th FYP

Growth performance of the Bangladesh economy has been impressive during the last decade. The growth rate accelerated and crossed the 6 % rate during the 6th FYP. The average GDP growth rate during FY 2011 to FY 2015 has been 6.4%, but remained below the 7% growth rate. Seventh Five Year Plan set ambitious growth targets for the plan period which are realistic and feasible. Accordingly, the Bangladesh Government based on her past performance as well to confront the enormous poverty challenge set average annual growth rate of 7-8% for the five-year period, FY 2016-20. The projected growth path for the 7th FYP is illustrated in Figure 2.1.

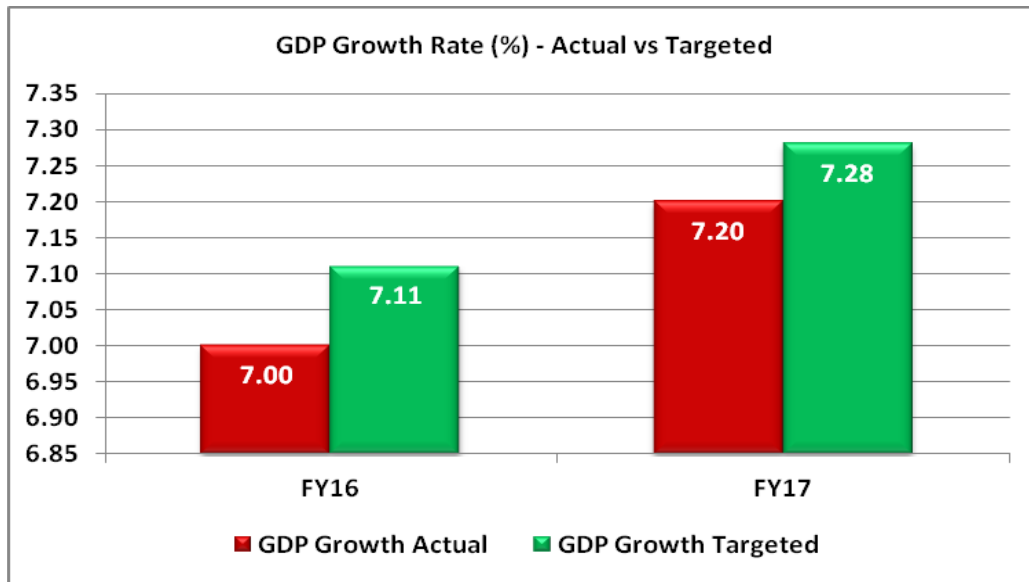
Figure 2. 1: GDP Growth Targets in 7th FYP (6th FYP actual)



Source: 7th Plan Projections

Actual growth rates during the first two years of the 7th FYP have surpassed the target growth rates. The GDP growth rates for FY 2016 and FY 2017 have been 7.11% and 7.28% respectively. This is a remarkable achievement. These growth statistics suggest that Bangladesh economy has been performing better than the projections of the 7th FYP. If these trends continue in the next three years of the plan period, the average growth rate of 7.4% set out in the 7th FYP would likely to be attained.

Figure 2. 2: GDP Growth Targets in Actual vs Targeted

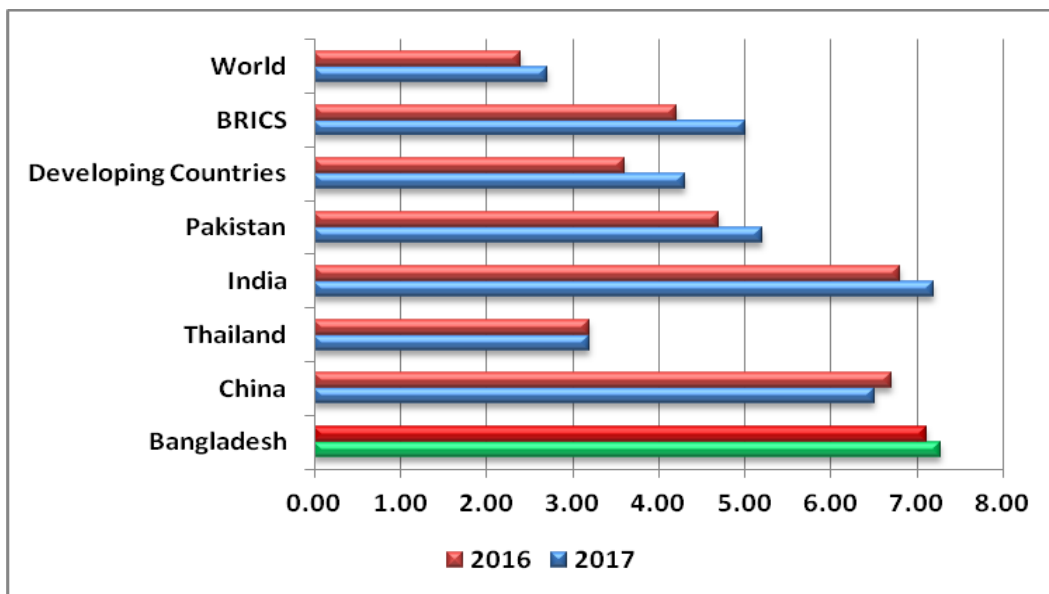


Source: 7th Plan and BBS

GDP Growth in International Comparison

The solid growth performance in Bangladesh during the first two years of the Seventh Plan so far compares favorably not only by own historical standards, it also looks very impressive to international comparison (Figure 2.3). Along with China, and India Bangladesh has been among the fastest growing countries in the World during 2016-17.

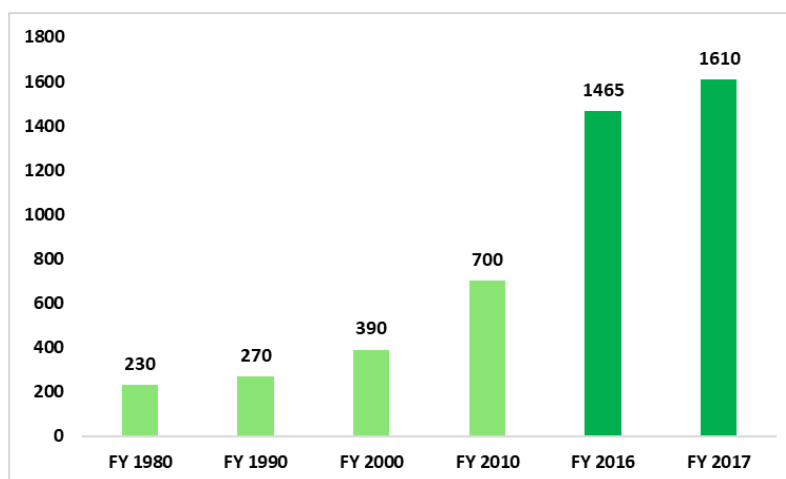
Figure 2. 3: International comparison of Bangladesh’s GDP Growth



Source: Global Economic Prospects, June 2017, World Bank.

Per capita income in US dollar continued to increase in Bangladesh. Because of attaining 7 percent plus growth rate during the first two years of the Seventh Plan, per capita GDP in US dollar terms has continued to rise, reaching US\$ 1,465 in FY 2016 and US\$ 1,610 in FY 2017 (Figure 2.4.). This impressive per capita income rise patterns suggests that the country is on course to attain the upper middle-income country by 2030.

Figure 2. 4: Trend in Per Capita GDP



Source: BBS

Growth Drivers: The Investment

It is now well established that Bangladesh growth is mostly driven by investment and exports. It is also found that countries that have grown at rapid rates for long periods also registered high rates of savings and investment which are essential for sustaining high growth. There is consensus based on historical evidence that high growth requires a stable investment environment, and investment rates of 30% of GDP or above, with a public sector investment component of 7-8% of GDP, much of it going into infrastructure, education and health. Thus, 7th FYP also embarked on an ambitious investment target. The Seventh Plan targeted an increase in the investment rate growing from 30% of GDP in FY 2016 to 34.4% by FY 2020, as a critical driver of growth. While private investment was projected to lead the way, a substantial increase in public investment was also planned. The specific targets for the investment rate by source are shown in Table 2.1.

Table 2. 1: Investment Targets for the Seventh Plan

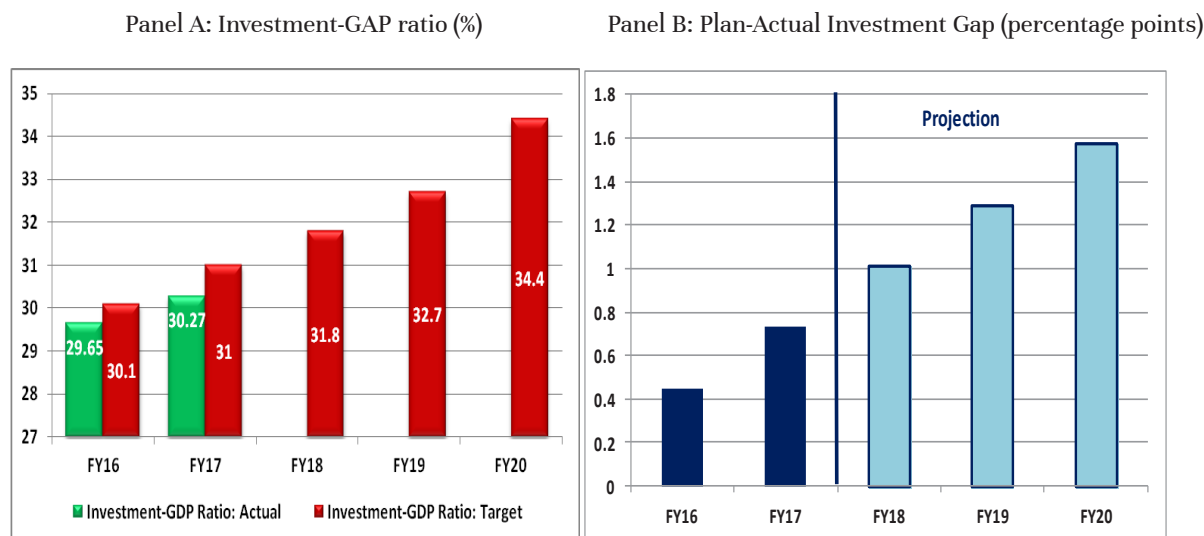
Investment Indicator	FY14	FY15	FY16	FY17	FY18	FY19	FY20
	(Actual)	(estimated)					
Gross Domestic Investment (as % of GDP)	27.2	27.6	30.1	31.0	31.8	32.7	34.4
Private investment (as % of GDP)	22.0	22.1	23.7	23.9	24.4	25.1	26.6
Public Investment (as % of GDP)	5.2	5.6	6.4	7.1	7.4	7.6	7.8

Source: Seventh Plan

Total investment: The investment performance is shown in Figure 2.5. Total investment during the first two years of the Seventh Plan has fallen short of the targets. In FY 2016 the gap was 0.45 percentage points (i.e. 30.1 % – 29.65%) which increased to 0.73 percentage points in FY 2017 – the second year of implementation of the Seventh Plan. Although the Investment-GDP ratio crossed the much cherished 30% rate, the increase in gap between targeted and realized investment is a concern. A linear extrapolation suggests that the gap

between planned and realized investment may increase to as large as 1.6 percentage points in FY 2020 – the terminal year of the 7th FYP. If the gap trend continues for the next years of the plan period, it will be difficult to attain the 34% Investment rate.

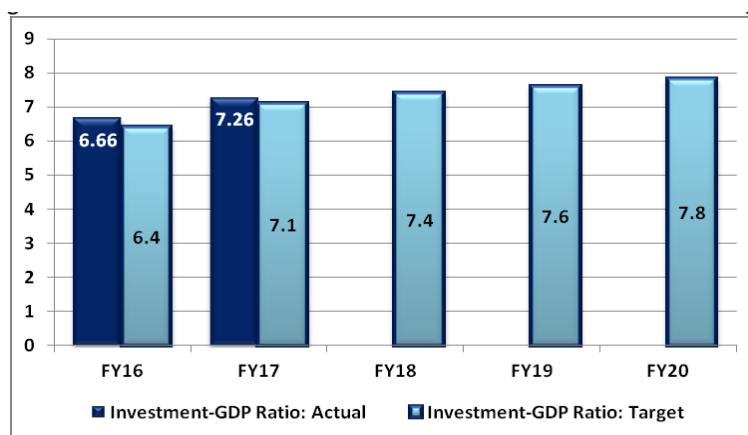
Figure 2. 5: Total investment trends – target vs actual



Source: 7th FYP and BBS

Public investment rate: The Seventh Plan recognized the need for substantial increase in public investment specially to upgrade infrastructure and invest in human capital – with the aim to crowd in private sector investment. The breakdown in total investment performance depicts mixed outcomes with private sector investment falling short of their respective targets while public sector investment has been exceeding their targets. More specifically, realized public investment in FY 2016 was 6.66% of GDP against the target rate of 6.4%. The performance was even better in FY 2017. In FY 2017 realized public investment was 7.26% of GDP against the target rate of 7.1%. Out of 12 mega development projects, seven mega development projects by the government are well underway and paced up this year. These public projects are expected to have significant positive impact for the country. The projects are the Padma Bridge, Rooppur Nuclear Power project, Paira Sea Port, the coal fired large power projects of Matarbari and Rampal, Metro Rail and LNG terminal. Furthermore, this progress in physical completion of these projects will also gain confidence among the investors.

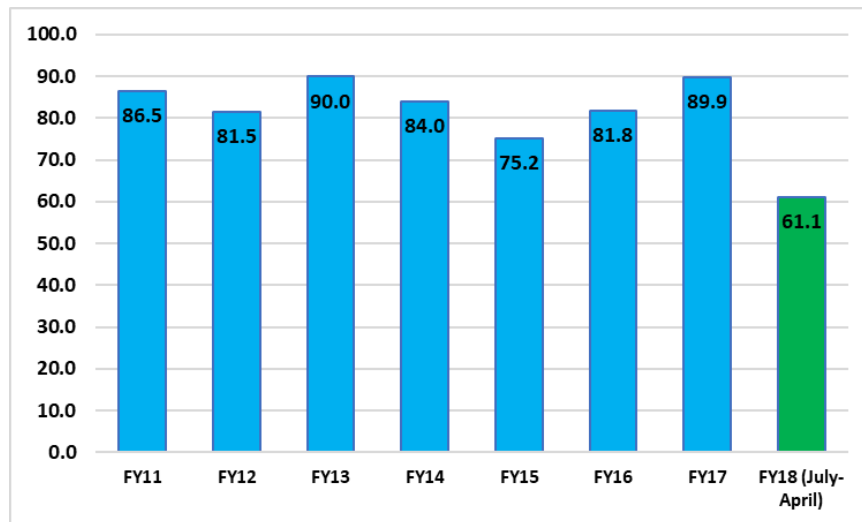
Figure 2. 6: Public Investment as Percent of GDP: Actual Investment Vs Target



Source: 7th FYP and BBS

The implementation of public investment through the Annual Development Programme (ADP) is shown in Figure 2.7 for selected years with full annual information. The ADP implementation rate has been showing sign of improvement during the last few years. Annual implementation rate has been hovering around 85% - indicating improvement in project implementation under the present leadership. Full year ADP implementation data is not available for FY 2018. However, when rate of progress in ADP implementation for July-April period of FY 2018 is compared with the same periods of the previous years, the progress for FY 2018 seems satisfactory.

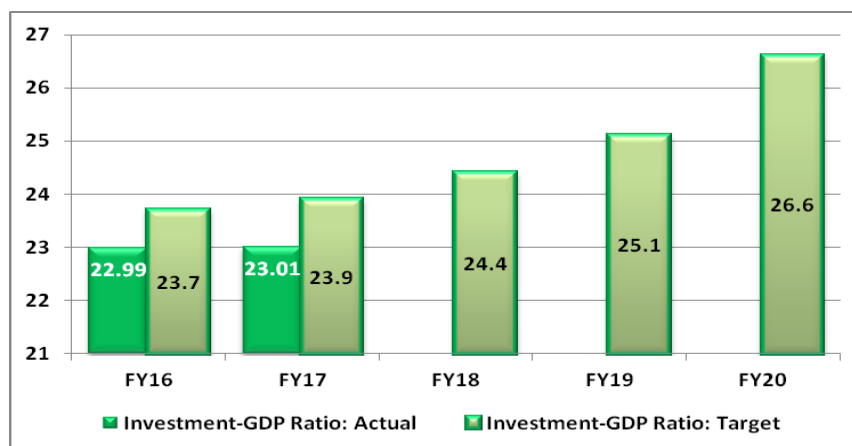
Figure 2. 7: ADP Implementation (%)



Source: IMED

Private investment rate: The main concern is with the performance of the private sector investment. The shortfall in the actual rate of private investment during the first two years of the Seventh Plan target rate is significant and growing.

Figure 2. 8: Private Investment as Percent of GDP--Actual Vs Target



Source: BBS

Private investment must get a boost to attain the coveted 8% GDP growth at the end of the 7th FYP period.

National savings is essential to achieve higher investment and consequently higher economic growth. However, the gap between savings and investment has been narrowed significantly at 0.03 percent suggesting that the macroeconomic strategies of government are more efficiently converting the savings into investment. The gap reached 0.13 percent and 1.12 percent of GDP in FY 2015, and FY 2016 respectively. Sluggish private sector investment may have led to widening of the savings-investment gap.

Table 2. 2: Saving Investment and Investment-growth nexus (% of GDP)

	FY15	FY16	FY17(p)
Gross Domestic Investment	28.89	29.65	30.27
Private	22.07	22.99	23.01
Public	6.82	6.66	7.26
Gross National Saving	29.02	30.77	30.30
Saving-Investment gap	0.13	1.12	0.03

Source: BBS

Poverty Outcome of the 7th FYP

Poverty projections for the Seventh Plan

Poverty situation in Bangladesh is based on ‘Household Income and Expenditure Surveys (HIES)’. When the 7th FYP was prepared no new HIES was available to benchmark poverty situation for FY 2015 – the base year of the 7th FYP. Since there was no HIES for FY 2015, poverty rates for the 7th FYP was projected (or simulated) using the information of HIES 2010 (the last HIES which was available at the time of preparation of the 7th FYP).

These poverty estimates are based on applying the aggregative poverty elasticity of growth and extreme poverty to growth for the two latest available HIES (i.e. 2005 and 2010). The projected figures suggest Bangladesh would significantly reduce its extreme poverty to about 8 percent by 2020 given the GDP growth scenario of the 7th FYP. The poverty estimates in Table 2.3 also suggest that continuation and strengthening of poverty strategy would have considerable reduction in poverty and extreme poverty.

Table 2. 3: Poverty Reduction during the 7th FYP

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
GDP growth	6.5	7.0	7.2	7.4	7.6	8.0
	Reduction of Moderate Poverty					
Poverty elasticity to GDP	0.76	0.76	0.76	0.76	0.76	0.76
Upper poverty line (% of population below)	24.9	23.5	22.2	21.0	19.8	18.7
	Reduction of Extreme Poverty					
Poverty elasticity to GDP		1.11	1.11	1.11	1.11	1.11
Lower poverty line (% of population below)	12.6	11.6	10.8	9.9	9.2	8.5

Source: 7th FYP

The incidence of head count poverty which was 31.5% in 2010 reduced to 24.3 percent in 2016 implying a 1.2 percent reduction rate per year between 2010 and 2016. Rural poverty has fallen from 35.2% in 2010 to 26.4% in 2016 while urban poverty rate declined to 18.9% in 2016 from 21.3% in 2010. Bangladesh uses a ‘lower poverty line’ to assess extreme poverty situation. Extreme poverty rate declined to 12.9% in 2016 from 17.6% in 2010. Per annum extreme poverty reduction rate has been 0.78%. Two other measures of poverty – poverty gap and poverty severity have also experienced substantial reduction between 2010 and 2016.

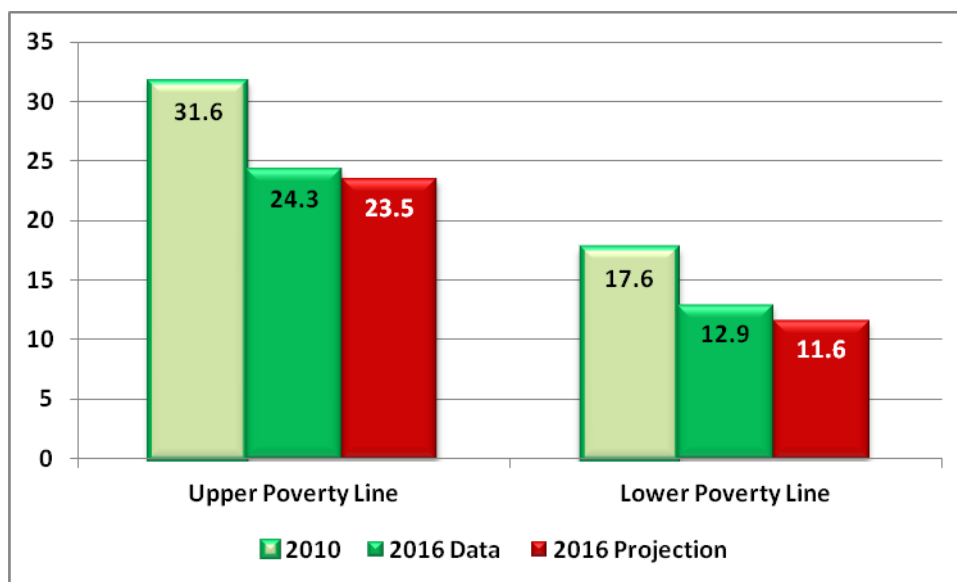
Actual Progress in Poverty Reduction under the Seventh Plan

Publication of HIES 2016 facilitates the assessment of the actual progress in poverty reduction in comparison to 2010 (i.e. with HIES 2010). According to BBS (2017) ‘data collection for the current round of HIES 2016 was started from the 1st April 2016 and continued without any interruption up to the 31st March, 2017. Almost all the modules canvassed in 2010, were retained in 2016 with some modifications based on the experience gathered in 2010. The Social Safety Net module was redesigned and expanded with the support of the World Food Programme (WFP). In health section modules on child health and immunization, pre-natal and ante-natal care were excluded as this information are collected by other surveys of BBS. To improve the income data, the scope of the agriculture productivity was broadened to include both temporary crops and fruits as was done in 2010.’

Head Count Ratio

Head Count Ratio measures the proportion of the population that is poor. But it does not indicate how poor the poor are. Head Count Poverty estimates for 2010 and 2016 are provided below. Estimated poverty level using the upper poverty line in 2016 is 24.3%. The 2016 Poverty rate suggests impressive progress in poverty reduction from 2010. The annual rate of reduction is 1.2%. When the lower poverty line (i.e. it is also known as the extreme poverty) is used, poverty incidence declined from 17.6% in 2010 to 12.9% in 2016 – implying commendable achievement on the extreme poverty front as well.

Figure 2. 9: Progress in Poverty Front



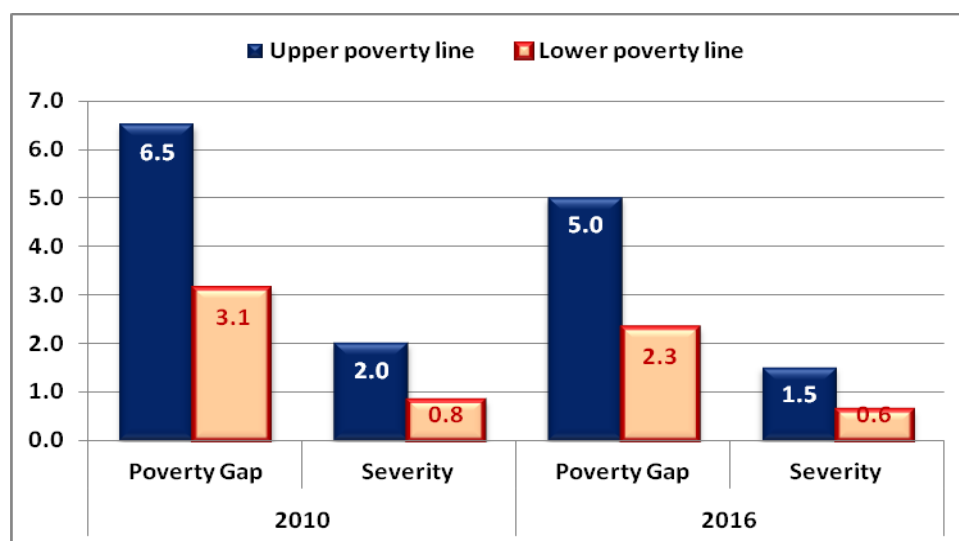
Source: HIES 2010, 2016 and 7th FYP

However, poverty rates for 2016 fell slightly short of the targeted poverty rates for 2016. More specifically, poverty rate using upper poverty line fell short of the targeted rate by 0.8 percentage points (i.e. 24.3%–23.5%). In the case of extreme poverty, the gap between the actual and targeted rate is 1.3 percentage points (i.e. 12.9%–11.6%). The gap between the targeted and actual poverty in 2016 perhaps suggests reduction of growth-poverty elasticity rate due to rising inequality over 2010 and 2016 period. Inequality in income distribution as measured by the ‘Gini’ coefficient has increased from 0.458 to 0.485 in 2016.

Poverty depth and severity (change over 6th FYP)

Head Count Poverty does not indicate how poor the poor are. The measures of poverty depth and poverty severity provide complementary information on the incidence of poverty. The Foster, Grear and Thorbecke (FGT) method provides the technique to estimate average distance of the poor households from the poverty line. The Poverty Gap (PG) estimates the depth of poverty in the population. It measures the extent to which individuals fall below the poverty line (the poverty gaps) as a proportion of the poverty line. Thus, the sum of these poverty gaps gives the minimum cost of eliminating poverty, if transfers were perfectly targeted. The measure, however, does not reflect changes in inequality among the poor. On the other hand, the Squared Poverty Gap (SPG) measures the severity of the poverty. The estimated gap and severity measures are reported below.

Figure 2. 10: Trends in Poverty Gap and Severity



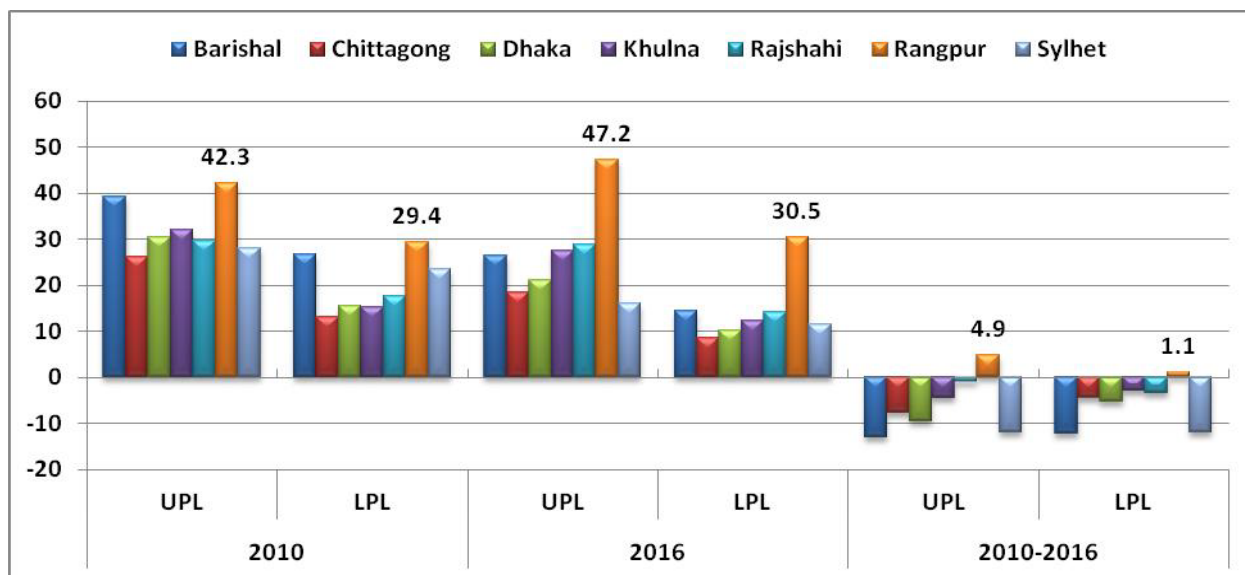
Source: HIES 2016

Using the upper poverty line, the poverty gap has been estimated at 5.0% in 2016 compared to 6.5% in 2010 – implying a 1.5 percentage point reduction over the year 2010 – On the other hand, using the lower poverty line, the poverty gap has been estimated at 2.3% in 2016. It thus implies a reduction of 0.8 percentage point during the period 2010 to 2016. All these reductions of poverty gap indicate that average consumption or income level of the poor people (i.e. people below the poverty lines) has improved during the period 2010 to 2016.

Analogous to the poverty gap situation, severity of poverty has reduced during the period 2010 to 2016. Using the upper poverty line, the severity which was 2% in 2010 declined to 1.5% in 2016. For the extreme poor, it has reduced from 0.8% in 2010 to 0.6% in 2016.

A disturbing development in the poverty situation is the increase in the poverty rate of the Rangpur Division. Poverty rates have declined in all but Rangpur Division. According to the HIES 2016 estimates, Poverty rate of Rangpur Division increased from 42.3% in 2010 to over 47% in 2016. Poverty rate in Rangpur has deteriorated by almost 5 percentage points between 2010 and 2016. Extreme poverty worsened by 1.1 percentage points over the same period.

Figure 2. 11: Trends in



Source: HIES 2010 and 2016.

Note: UPL- Upper Poverty Line; and LPL-Lower Poverty Line

Another development that is a cause of concern is the slow-down in poverty reduction rate of ‘western’ region of Bangladesh compared to their ‘eastern’ region. In 2010, poverty rate of ‘western’ region was 3.7 percentage points higher than the national average rate of 31.5%. On the other hand, poverty rate of ‘eastern’ region was 2.7 percentage points lower than the national average rate. The situation deteriorated in 2016. In 2016, poverty rate of ‘western’ region was 8.2 percentage points higher than the national average rate of 24.3%, while, poverty rate of ‘eastern’ region was 3.4 percentage points lower than the national average rate. Trend is similar in the case of lower poverty line or extreme poverty.

There was clear divide between ‘western’ and ‘eastern’ regions of Bangladesh based on poverty profile till the publication of HIES 2010 poverty report. The poverty gap between ‘western’ and ‘eastern’ regions narrowed significantly in 2010 suggesting better economic environment in western region leading to employment generation and income growth. Expansion of social safety net may have also contributed to the poverty reduction of the ‘western’ region. This positive outcome may have also envisaged cessation of special programmes for the region. However, HIES 2016 poverty data indicates re-emergence of the divide. The slowing down poverty rate reduction in the ‘western’ region compared to the ‘eastern’ region reflects deterioration in the income and employment generation opportunities in 2016.

Figure 2. 12: Region wise indicator of poverty (HCR) by CBN Method (%)

	2016			2010		
	National	Rural	Urban	National	Rural	Urban
Using upper poverty lines						
East	20.9	21.8	20.0	28.8	35.1	15.5
West	32.5	33.0	30.7	35.2	35.3	33.9
National	24.3	26.4	18.9	31.5	35.2	21.3
Using lower poverty lines						
East	11.3	12.6	8.3	15.4	21.1	4.1
West	17.9	18.6	14.8	20.5	21.1	17.3
National	12.9	14.9	7.6	17.6	21.1	7.7

Source: BBS (2017) and Sen et al. (2014)

Prospects and Way Forward

Both growth and poverty performances have been impressive. Current trends in economic performance suggest that Bangladesh is poised to attain the growth targets of 7th FYP. A concern in this journey is the indifferent response of the private sector investment. The positive news is that government is aware of this concern and has been adopting measures to reverse the situation of the private sector investment. Establishment of BIDA and subsequent enactment of ‘one stop service act, 2018’ is a prudent step to promote private sector investment of all sources – local and external.

Furthermore, government needs to put more emphasis in improving the investment climate by removing the investor’s identified impediments such as land procurement, energy shortage, trade logistics, contract enforcement and tax issues. Notwithstanding these are long term agenda for Bangladesh continued efforts and visible progresses are needed.

Public investment needs further boost to narrow the infrastructure-energy gaps through increased revenue efforts, appropriate pricing of utilities and rationalization of public expenditure especially that subsidy.

Increase in poverty in Rangpur division is a worrisome development in our fight against poverty. Government may need to trigger the proposed ‘lagging region fund’ to stimulate income and employment opportunities and thereby help reverse the poverty path in Rangpur division.

Chapter Three

Progress with Sector Development of the components of GDP

Introduction

The core theme of the 7th Five Year Plan (7th FYP), “Accelerating Growth, Empowering Citizens”, aims to accelerate GDP growth, while generating productive jobs and ensuring equitable income distribution. The growth acceleration process is envisaged as to be driven by high-performing service and manufacturing sectors, while maintaining solid growth in agriculture. Moreover, the Plan emphasizes on raising the productivity of factors of production through adoption of new and appropriate technologies and diffusing digital technology and ICT. It duly articulates the need for improving the investment climate, developing quality infrastructure, enhancing the efficiency of the financial sector and improving governance. The 7th FYP would continue to support the on-going structural transformation process in which the relative significance of agricultural production and employment to decline further as against of the rising significance of modern manufacturing and services sectors.

The above objectives and the core ambition of the Plan will greatly depend on and will also be reflected in the nature of growth performance of broad economic sectors within GDP, namely, agriculture, manufacturing and services. This chapter reviews the progress that has been made so far as against the targets set under the 7th FYP and highlights relevant issues and areas where further consideration should be given for eventual success of the Plan and facilitate a faster-than-envisaged growth and development process.

Manufacturing Sector Performance

The cross-country historical record strongly suggests economic growth and enhanced standards of living being positively correlated with national industrial activities. The rise of England in the 19th century, followed by the rise of the US, Germany, Japan and the USSR in the 20th, and more recently the rapid growth and development of the newly industrializing countries such as Korea, Taiwan, and China, depict manufacturing the key to prosperity. Manufacturing has been the key driver of structural transformation, generating productive employment while pulling surplus labour out of primary activities. Although at an earlier stage, Bangladesh, unlike most other least developed countries (LDCs) and many low-income developing economies, is witnessing a transformation in which the share of manufacturing in total economic output is on the rise. The advancement of the manufacturing sector therefore constitutes a major policy priority for the country.

The 7th FYP quite rightly recognized Bangladesh’s facing an ever changing and challenging global landscape for manufacturing sector development because of four distinct reasons: (a) globalization and greater trade openness resulting in the greater integration of the Bangladesh economy with the global economy yielded many benefits but also posed many challenges; (b) to be globally competitive, a high performing manufacturing sector must reach a high level of industrial sophistication meeting internationally recognized standards of product quality within a compliant production environment; (c) technology emerged as the key resource and input for industrial growth and development; and (d) fragmentation of production and vertical integration across countries through trade in intermediate goods (known as global value chains) was fast becoming the dominant trading pattern. The 7th FYP considered these global trends into account in setting the course for manufacturing sector development with export-led growth.

Against the targets specified, the manufacturing sector performance in the first two years under the plan is just on course. However, there are important issues that need to be given appropriate consideration for achieving future manufacturing sector development with the envisaged export-led growth.

Industrial and manufacturing sector GDP growth under the 7th FYP

It needs to be recognized that despite various challenges encountered, the growth performance of the industrial sector, and manufacturing sector has been quite impressive. Table 3.1 shows that Industrial and

manufacturing growth has accelerated over the past three decades with the latest two years under the 7th FYP exhibiting the strongest growth. In the 1980s, annual average industry growth was a modest 5.64 percent, which increased to just over 7 percent in the 1990s and then to 7.45 percent in the 2000s. The 6th Five Year Plan (FY 2011-FY 2015) saw stronger industrial growth of 8.79 percent per annum. The rate of acceleration gained further momentum with the average industrial growth during FY 2016-FY 2017 reached a double-digit growth of more than 10 percent.

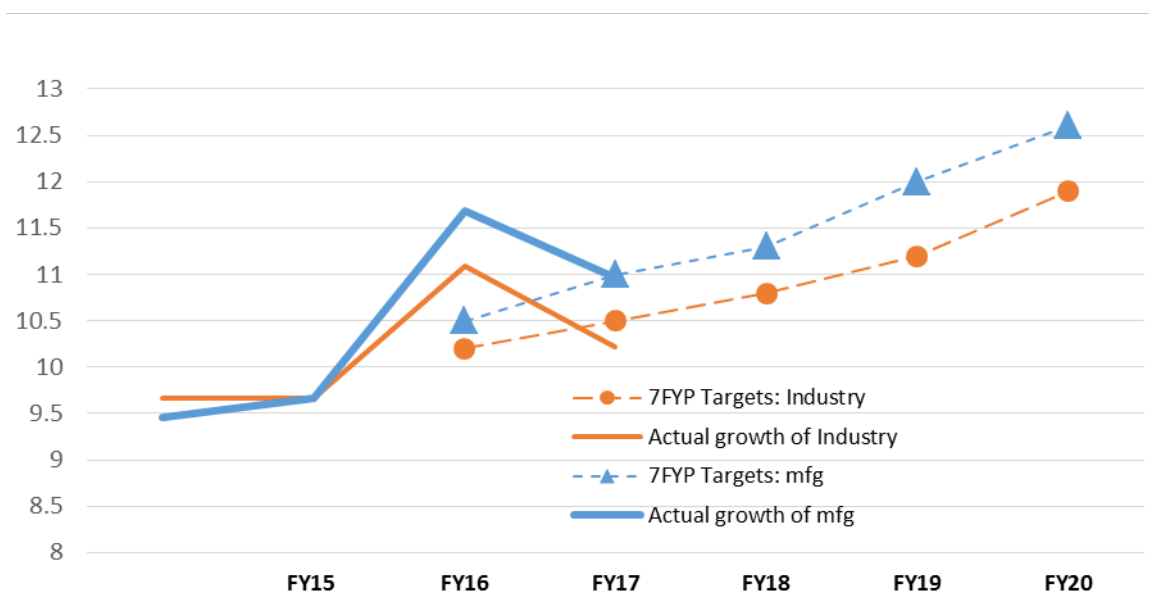
Table 3. 1: Growth rates of various sectors in GDP by different time periods

	1980s	1990s	2000s	FY11-FY15	FY16-FY17
Agriculture	1.78	3.42	3.93	3.60	2.88
Industry	5.64	7.04	7.45	8.79	10.66
- of which Manufacturing	4.68	7.19	7.44	9.46	11.33
- Large & medium scale	4.56	7.34	7.39	10.25	11.73
- Small scale	5.4	6.83	7.59	7.39	9.44
Services	3.75	4.26	6.06	6.5	6.47
GDP	3.5	4.8	6	6.32	7.20

Source: BBS

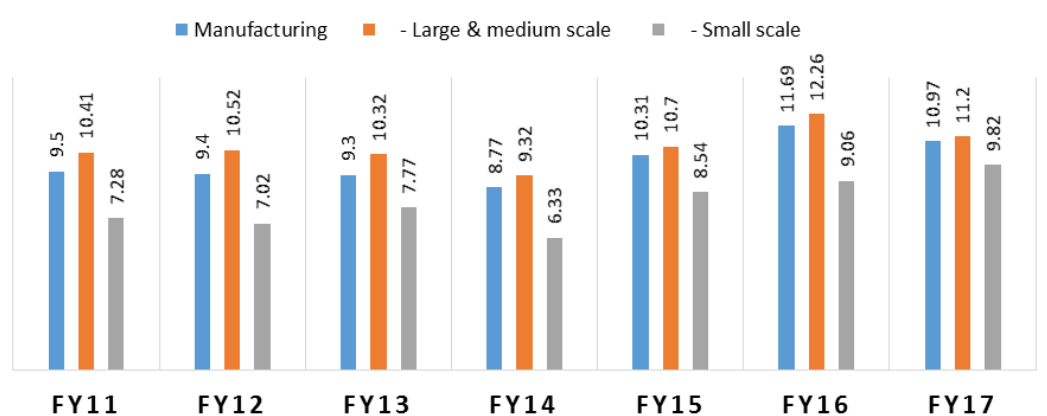
The industrial growth is characterized by a robust performance of the manufacturing sector. The Sixth Five Year Plan saw the manufacturing sector expand on average 9.46 percent per annum, while the corresponding growth for the first two years under the 7th FYP was 11.33 percent. Large & medium manufacturing establishments registered a higher-than-average growth of 11.73 percent. Small scale manufacturing on the other hand grew on average 9.44 percent, which is more than 2 percentage points higher than the corresponding average growth of the Sixth Five Year Plan.

Figure 3. 1: Industry and manufacturing growth: Actual and 7th FYP targets (%)



Source: BBS and the 7th FYP

Figure 3. 2: Manufacturing growth by large & medium- and small-scale establishments, FY11-FY17

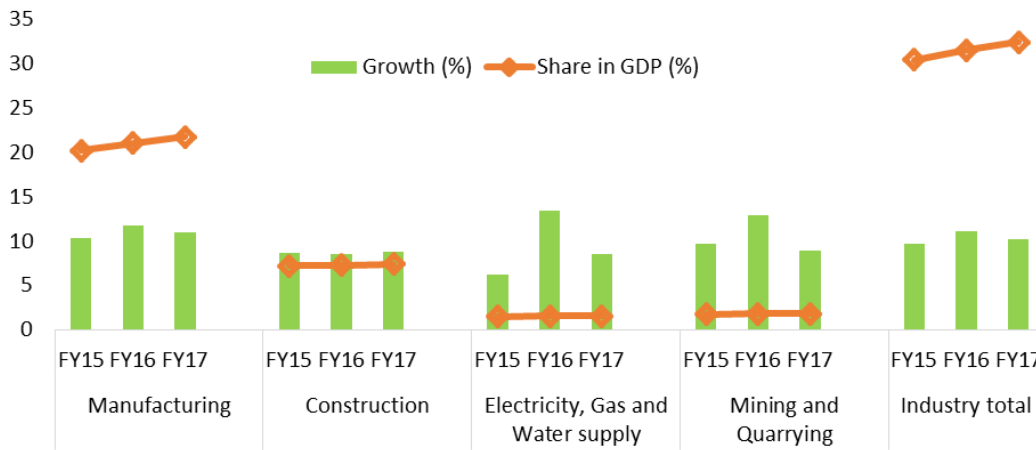


Source: BBS

It is worth noting that of the two periods under the 7th FYP, manufacturing growth, as shown in Figure 3.1, in FY 2016 (11.69 percent) was much higher than the 7th FYP target for the year (10.5 percent). For FY 2017, manufacturing growth (10.97) was just shy of the target (11 percent). While this should not be cause of any major concern, a couple of points needs to be highlighted. First, within the manufacturing sector, it is only the large & medium sector enterprises that have witnessed a growth deceleration from 12.26 percent in FY 2016 to 11.2 percent in FY 2017. While the growth of 11.2 percent is still very robust and a clear 5-percentage points higher than the overall GDP growth, the relatively slower pace of expansion in FY 2017 is to be attributable to weaker growth performance of the export-oriented readymade garment (RMG) sector. The prolonged global trade slowdown since the global financial crisis of 2008 has affected export performance of an overwhelming majority of world economies, and despite demonstrating resilience for several years Bangladesh was affected in FY 2017 (more discussion on this later in this chapter). Second, small scale manufacturing has continued with growth acceleration from 8.54 percent in FY 2015 to 9.06 percent in FY 2016 and then to 9.82 percent in FY 2017 (Figure 3.2).

Within the industrial sector, manufacturing performed best as reflected in its rising share in GDP (Figures 3.3 and 3.4). The growth in the construction sector has been steady at around 8.7 percent with its share in GDP increasing slightly from 7.16 percent in FY 2015 to 7.36 in FY 2017 (Figure 3.3). Both electricity, gas and water supply and mining and quarrying have relatively small share in GDP, of less than two percent in each case. These two sectors registered much higher growth in FY 2016, 13.33 percent and 12.84 percent respectively, before decelerating to close to 8.5 percent and 8.9 percent in that order. In the first two years under the 7th FYP, both the overall industrial sector and manufacturing sector therefore have registered growth rates higher than those projected for them (Figure 3.5).

Figure 3. 3: Industry Sector Performance, FY15-FY17 (growth and share in GDP)



Source: BBS

Figure 3. 4: Sectoral share in GDP (%)

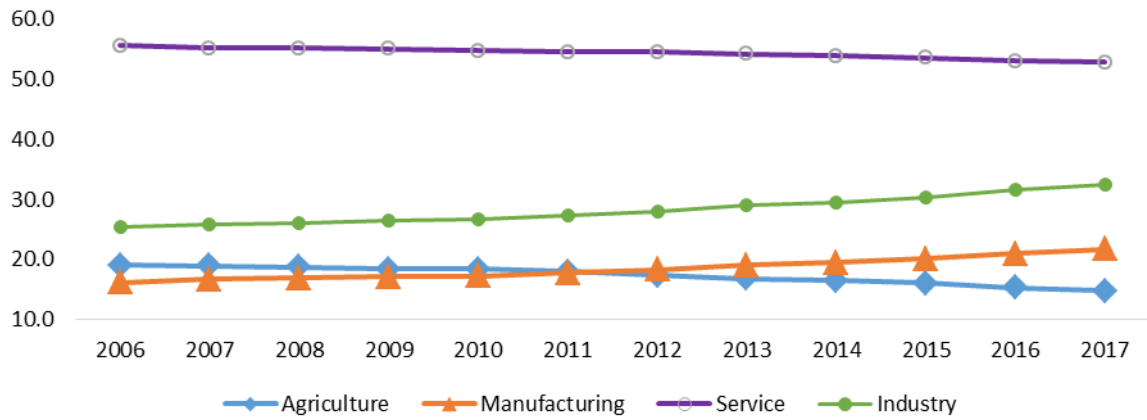


Figure 3. 5: Share of different sectors in GDP: Projected versus realised

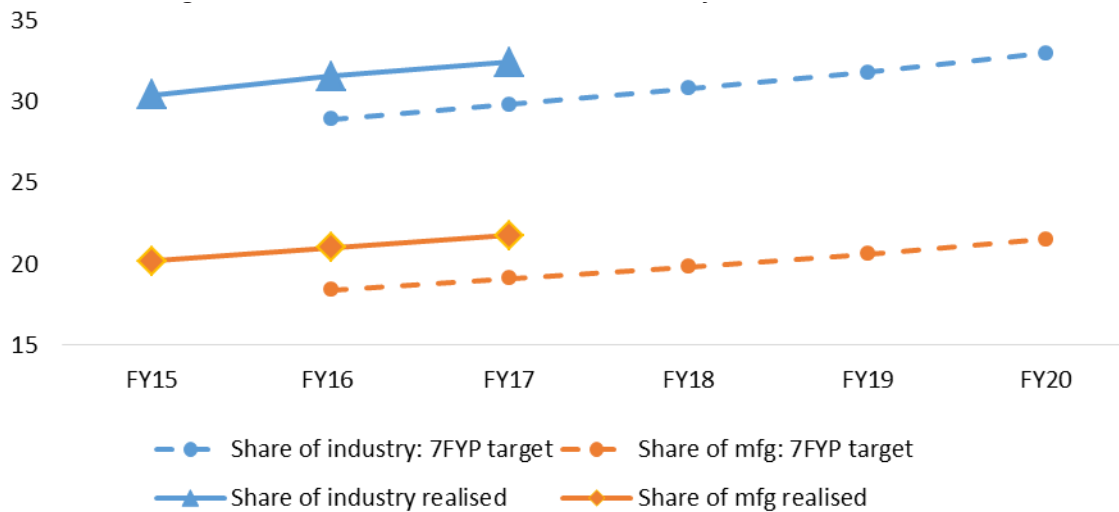


Table 3. 2: Manufacturing sector performance at a glance, FY91-FY17

	FY91	FY01	FY11	FY15	FY16	FY17
Mfg sector as % of GDP	12.90	15.60	18.42	20.16	21.01	21.74
:Of which						
- Large and Medium Scale	9.15	11.13	13.20	16.58	17.37	18.01
- Small Scale	3.75	4.46	5.22	3.58	3.64	3.73
Mfg growth rate (%)	6.38	6.68	9.45	10.31	11.69	10.97
- Large and Medium Scale	6.02	6.55	10.41	10.70	12.26	11.20
- Small Scale	7.28	7.02	7.34	8.54	9.06	9.82
Mfg Share in domestic employment	10.10	9.90	NA	16.4 (2013)	14.4	14.4
Total exports as percent of GDP	7.03	13.66	20.56	17.34	16.65	15.04
Mfg share (% of Total Exports)	82.13	92.52	87.34	95.88	96.25	96.35
RMG (% of Total Exports)	50.47	75.68	78.16	81.68	82.01	80.78

Source: BBS, BMET and Bangladesh Bank

The manufacturing sector's contribution to overall exports has been on the rise and in FY 2017 stood at above 96 percent. This is however not so much because of the robust growth of the sector rather lacklustre performance of non-manufacturing exports. This is because in FY 2017, exports grew by just 1.7 percent (over FY 2016). Even with this weak growth the relative significance of manufacturing exports increased, which meant non-manufacturing exports were grown even at a slower pace.

In 2013, the share of manufacturing in total employment reached a peak of 16.4 percent. But since then the role of the sector in generating employment has come under a lot of discussion as the BBS and LFS showed falling manufacturing jobs between 2013 and 2016 surveys. Amongst various factors, automation and capital-deepening production processes are considered to be most plausible ones in explaining this. For both FY 2016 and FY 2017, the share of manufacturing jobs in total domestic employment is estimated at 14.4 percent.

Agricultural Sector Performance

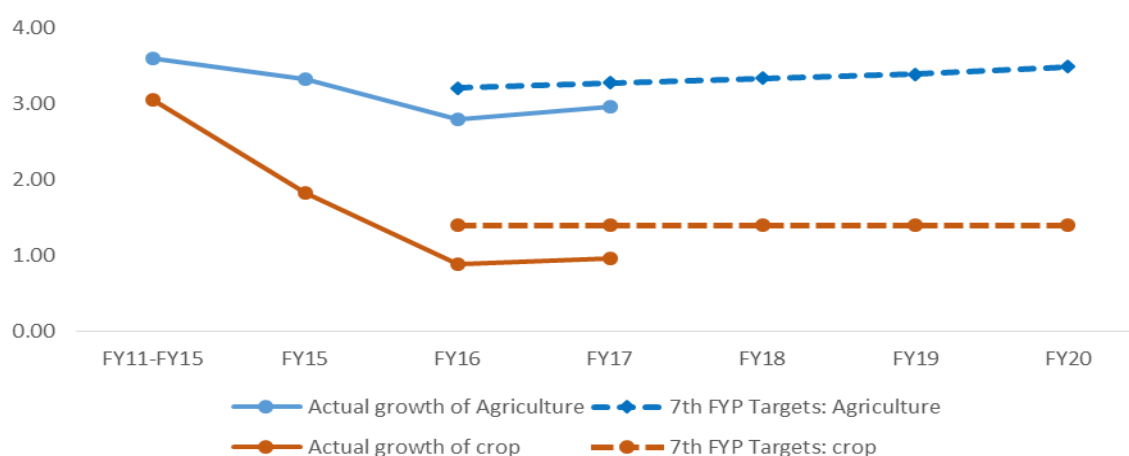
The share of agriculture in Bangladesh's GDP has been declining for the past few decades because of the structural transformation that is taking place in the economy. Although the share has already come down to a low level (about 15 percent of GDP), it still accounts for a large share of employment. According to the LFS 2015-16, agriculture contributes to 42.7 percent of total employment. The indirect contribution to employment and workforce is even higher. Most of the populations involved in agricultural production are marginal or landless farmers.

As stated in the 7th Plan the development vision for agriculture is to ensure food and nutritional security, enhancement of sustainable intensification and diversification of climate resilient agricultural production with increased commercialization, and livelihood improvement through technological innovations and use, strengthening of research and extension system, developing supply chain extension, value addition of agricultural products, and linking farming community with markets, both local and global. The major focus of the 7th FYP in the sector, therefore, centers on consolidating and expanding the productivity gains already achieved in food grain production as well as designing policies, strategies and actions to accelerate the crop diversification and commercialization process by increasing local and export market opportunities by the farmers and other stakeholders.

Growth performance

The agriculture sector is characterized by lower growth compared with the two other sectors. The largely subsistence nature of operation with very low labour productivity makes it difficult to secure and sustain enhanced growth performance of the sector. In the first two years under the 7th FYP, the sector has faced adverse circumstances: the growth rates have been lower than the targets. In FY 2016 the growth rate declined by 0.54 percentage point before registering a slight recovery in FY 2017 (Figure 3.6). The crop subsector, the largest component of agriculture, performed not as good as expected: the average growth rate of crop-agriculture was less than 1 percent.

Figure 3. 6: Agriculture and crop growth: Actual and 7th FYP targets (%)



Source: BBS and 7th FYP

On the other hand, forestry subsector performed well. Forestry subsector achieved average growth rate of 5.36 percent in the first two years of the 7th Plan, whereas the average growth rate was 4.58 percent during the 6th plan period FY 2011-FY 2015 (Table 3.3). The growth rate of forest and related services has increased to 5.6 percent in FY 2017 from the base year value of 5.08 percent in FY 2015. The fishing subsector also exhibited a strong performance, achieving an annual growth rate of above 6 percent in comparison with its annual average growth rate of 5.78 percent during the 6th plan. The share of overall agriculture sector in GDP has been on the decline as reported in Table 3.3.

Table 3. 3: Growth Performance of Agriculture Sub-Sectors

	FY11-FY15	FY15	FY16	FY17
Growth (%)				
Agriculture(A+B)	3.61	3.33	2.79	2.97
A. Agriculture and Forestry	3.24	2.45	1.79	1.96
i) Crops & horticulture	3.06	1.83	0.88	0.96
ii) Animal farming	3.21	3.08	3.19	3.31
iii) Forest and related services	4.58	5.08	5.12	5.6
B. Fishing	5.78	6.38	6.11	6.23
Percent of GDP (%)				
Agriculture (A+B)	18.1	16	15.35	14.74

	FY11-FY15	FY15	FY16	FY17
A. Agriculture and Forestry	14	12.32	11.7	11.12
i) Crops & horticulture	10.1	8.87	8.35	7.86
ii) Animal farming	2.2	1.73	1.66	1.6
iii) Forest and related services	1.68	1.72	1.69	1.66
B. Fishing	4.1	3.69	3.65	3.61

Source: BBS

Agricultural productivity

Agricultural production and productivity have increased in FY 2016 in comparison with the base year (Table 3.4). The total production of rice in FY 2015 was 34.71 million metric tons, which rose to 35.01 million metric tons in FY 2016. The productivity in rice cultivation also slightly improved from 3.04 ton/hectare to 3.10 ton/hectare. Production of all other food items except oilseeds also increased.

Table 3. 4: production of major food items, FY15-FY16

	FY15		FY16		FY17	
	Production (lakh MT)	Productivity (T/ hectare)	Production (lakh MT)	Productivity (T/ hectare)	Production (lakh MT)	Productivity (T/ hectare)
Aush	23.28	2.23	24.68	2.44	26.50	2.36
Aman	131.90	2.39	135.91	2.43	138.64	2.47
Boro	191.93	3.97	190.01	4.06	190.41	4.03
Total rice	347.11	3.04	350.61	3.10	355.55	3.76
Wheat	13.48	3.09	13.55	2.78	12.80	3.20
Potato	92.54	19.71	103.04	20.77	100	20
Oilseeds	10.39	1.24	10.03	1.18	11.35	1.352
Pulses	8.93	1.14	10.05	1.14	10.81	1.18
Maize	23.61	6.65	27.59	6.98	38.20	8.27

Source: Ministry of Agriculture

Export performance

Export share of each subsector is found to have declined except the exports of raw jute. Agricultural exports experienced negative growth in FY 2015 and FY 2017 (Table 3.5).

Table 3. 5: Agricultural Export Trends

Products	FY15	FY16	FY17
Export value			
Frozen Food & Live Fish	568.03	535.77	526.45
Tea, vegetables and others	586.05	596.06	553.17
Raw Jute	111.57	173.17	167.84
Total agricultural product export	1265.65	1305	1247.46

Products	FY15	FY16	FY17
Export share			
Frozen Food & Live Fish	1.82	1.56	1.51
Tea, vegetables and others	1.88	1.74	1.59
Raw Jute	0.36	0.51	0.48
Export share of agriculture	4.06	3.81	3.58
Export growth			
Frozen Food & Live Fish	-10.99	-5.68	-1.74
Tea, vegetables and others	-4.72	1.71	-7.20
Raw Jute	-11.73	55.21	-3.08
Agricultural export growth	-8.26	3.11	-4.41
Total export growth	3.39	9.77	1.72

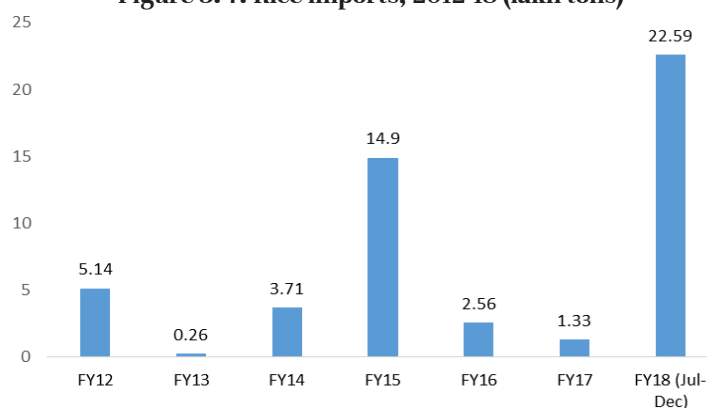
Source: Export Promotion Bureau (EPB)

Food security and the imports of rice

The widely accepted World Food Summit definition reinforces the multidimensional nature of food security including food accessibility, availability, utilization, and stability¹. The 7th Plan aims to ensure food security for country's 160 million people. To ensure food security, Bangladesh mostly relies on domestic production and to a little extent on imports. Rice is the staple food of the country. Import of rice can be used as the indicator of domestic food security and self-sufficiency of the country in terms of serving its large number of populations. Figure 3.7 shows that imports of rice had declined to 2.56 lakh tons in FY 2016 and further declined to 1.33 lakh tons in FY 2017 from the base year import of about 15 lakh tons in FY 2015. However, the import of rice increased sharply to 22.6 lakh tons in the first half of the FY 2018. The crop losses amid three episodes of flooding in the last fiscal year caused a large crop shortage, resulting in the huge import of rice. Inundation of boro rice in haor areas may be added as a cause of crop losses with three episodes of flooding.

It has been reported that the country lost about 12-20 lakh tons of Boro rice due to the flash-floods. This caused rice prices to rise. However, prompt and proactive measures taken by the government including slashing import tariffs on rice down to zero and monitoring of food-grain stock and its distribution, helped mitigate the crisis. Rice prices since then remained at a higher level compared to the pre-flood period. However, there is a consensus that the current level of prices is reasonable to ensure a fair price and adequate incentive for producers.

Figure 3. 7: Rice imports, 2012-18 (lakh tons)



Source: Ministry of Food

¹ FAO (2003). Trade Reforms and Food Security: Conceptualizing the Linkages. Economic and Social Development. FAO, Rome.

More research needs to develop short duration and cold tolerant boro rice varieties and discourage farmers to cultivate long duration boro rice varieties.

Managing water resources

Bangladesh's agricultural production is dependent on hydrological-cycle. Farmers face challenges in production as they need protection against flood in wet season, irrigation in dry season, supplementary irrigation even in wet season, protection against saline water intrusion in coastal area, proper drainage both in wet and dry season, protection against river erosion, protection against the water related hazard in coastal belt. The 7th FYP set out strategies for water resource development. The strategies and targets of the water sector have been defined keeping conformity with the Vision 2021. Bangladesh Water Development Broad (BWDP) under the Ministry of Water Resources is engaged in the development and management of water resources in the country. In the first two years of implementation, BWDB has expanded its irrigation facility to about 18.6 lakh hectares of land through several projects. Because of construction and rehabilitation of food control dam, dredging of waterways and construction of other infrastructures, it has made a total of 130 lakh hectares of agricultural land free from flood and drainage congestion. During FY 2016-FY 2017, dredging has been completed in 108 lakh cubic meters of waterways. Through the construction and rehabilitation of embankment in the coastal area and forestation programmes, it was possible to keep 27 lakh hectares of land out of salinity. As a result of these activities, it has made ways to produce 98.5 lakh tons of additional food grain annually. Among others, the major projects of BWDB in the last two years of 7th FYP include Capital Dredging of River System in Bangladesh, Emergency Cyclone Recovery and Restoration Project (ECRRP), Teesta Barrage Project, Phase-2 (Unit 1), Feasibility Study and Detail Design of Ganges Barrage Project etc. One of the priority projects of the 7th Plan was Ganges Barrage Project, however government abandoned the project in April 2017, as it might have negative consequences on the environment. On the other hand, Local Government Engineering Department (LGED) has been implementing Small Scale Water Resources (SSWR) project for the development management of small-scale water resources. The project is being implemented for the command areas under 1000 hectares. Under this project, sustainable use of water resources has been facilitated with the participation of local stakeholders along with local government institutions and communities.

The Water Resources Planning Organization (WARPO), as the secretariat of the Executive Committee of National Water Resources Council (ECNWRC), is responsible for macro-level water resources planning, coordination and implementation of the Bangladesh Water Act. For the development efficient management of water resource, Bangladesh Water rules 2017 has been approved. Department of Bangladesh Haor and Wetlands Development (DBHWD) works for the conservation of biodiversity of haor and wetlands, flood management, infrastructure development and livelihood development of the people of haor and wetlands. There are three projects being implement under the Vision 2021 and 7th Plan. These projects include:

- i. Study for Investigation of Groundwater and Surface Water Irrigation in Habiganj, Maulvibazar, Sylhet, Sunamganj, Netrokona and Kishorganj Districts,
- ii. Impact Assessment of Structural Intervention in Haor Ecosystem and Innovation for Solution, and
- iii. Study of Interaction Between Haor and River Ecosystem Including Development of Wetland Inventory and Wetland Management Framework

Progress with Livestock and Fisheries

Livestock subsector

- Bangladesh is self-sufficient in meat from 2017;
- Meat production has increased 6.0 times in last 10 years;

- In last two Eid-Ul-Adha, national produce was enough to fulfill demand of cows (1.15 crore);
- Milk production has increased 4.0 times in last 10 years;
- Egg production has increased 2.7 times in last 10 years;
- Egg production per day is approximately 2.50 crore;
- From 206 parent stock hatchery 1.5 crore broiler chicks, 0.6 million layer chicks are being produced every week
- 198 feed mills are producing and marketing 4 million tons grained balanced feed per year;
- Poultry sector has acquired thirty thousand crore taka worth investment in total;
- Price range of chicken and egg are within mass population's purchasing capacity;
- Private investment has been tremendously encouraged;
- Commercially layer, broiler, parent stock and grandparent stock farming have been established in this country;
- Recently turkey, titir, koel and pigeon farming has seen a huge increase in number of entrepreneurs;
- Recently the number of cows is 2.41 crore, buffalos are 0.15 million, sheeps and goats are 2.96 crore, poultry are 33.80 crore in Bangladesh;
- In 2017-18 fiscal year 11.50 crore poultry and approximately 2 crore livestock have been provided with veterinary healthcare.

Furthermore, ministry of fisheries and livestock has important achievements which ought to be included in the Interim Review Report such as:

Fisheries subsector

- Bangladesh is self-sufficient in fisheries from 2018;
- Projected average per capita demand is 60.00 gram; whereas achievement is 62.58 gram;
- Fish production (2017-18): 4.28 million metric ton;
- Average growth in last 10 years is 5.5%;
- In 10 year period, 1.85 crore people have become self-employed including 1.5 million women;
- From 2008-09 to 2017-18, 0.15 million people have been trained in fisheries;
- Four Fisheries Diploma Institutes have been established and courses are being carried out (Chandpur, Gopalganj, Kishoreganj and Sirajganj);
- 1.62 million fishermen have been registered; 1.42 million fishermen have been provided with ID cards;
- Within last 4 years 3294 metric ton fingerlings have been released in open water, 3600 nursery ponds have been established;
- Within last 9 years 3.92 thousand hector reservoirs have been repaired or re-excavated for fish farming;
- As a specific species, hilsha contributes the most among total production, which is almost 12%. It contributes more than 1% in the national GDP;
- In order to protect mother hilsha 0.395 million fishermen households have been helped with 22,738 metric ton food (20-kilogram rice for 22 days per households) from 2016 to 2018;
- In order to protect Jhatka 0.248 million fishermen households have been helped with 0.269 million metric ton food (40-kilogram rice for 4 months per households) from 2008-09 to 2017-18; and
- According to a report from Food and Agricultural Organization (FAO), 2018 Bangladesh is in 3rd position in inland waters capture production and in 5th in aquaculture food fish production.

Services Sector Performance

The service sector with its low base after independence has expanded and emerged as the dominant sector in Bangladesh. The contribution of the sector in GDP reached 56 percent from the very low base of about 30 percent in FY 1974. However, the growth rate of this sector has slowed down in recent years, growing at a rate lower than the overall growth of GDP. Although the sector has expanded, the export share of nonfactor services remains negligible. The 7th Plan aims to improve the performance of this sector. The average annual growth of the sector was about 6 percent during FY 2010-FY 2015. The 7th Plan targets to achieve a 7-percent growth rate of this sector by FY 2020. Average labor productivity of this sector is expected to increase by 5 percent. It is expected that the modern services will grow, and their share will reach to 17 percent by the end of the plan.² Among the services subsectors, ICT, travel and tourism are the sectors where growth potentials are thought to be higher. The totals export earnings from ICT, travel and tourism is projected to reach US\$ 2.6 billion at the end of the plan.

Looking at the progress of the service sector it can be expected that this sector is on course to achieve the target growth rate by FY 2020. The growth rate in FY 2017 reached 6.69 percent, which was 6.25 percent in the previous year (Table 3.6). The share of modern services in all services however dropped slightly during the past three years. The 7th Plan envisages to boost the tourism sector, increasing its contribution to GDP by 1.8 percentage points (from 2.2% of GDP in FY 2015 to 4% of GDP in FY 2020). However, the contribution of the tourism sector declined slightly in 2016.

Table 3. 6: Seventh plan service sector targets and performance

Targets	Base Year Values (FY15)	FY16	FY17	End Year Values (FY20)
Service sector growth (% per year)	5.80	6.25	6.69	7%
Increase in average labor productivity	4% (FY00-FY10)	na	na	5% (FY16-FY20)
Share of modern services (%)	13%	13.1	12.9	17%
Earnings from ICT, travel and tourism (billion USD)	1.5	-	-	2.6
Raise overall annual GDP contribution of tourism *	2.2%	2.15%	na	4.00%

Source: BBS, 7th FYP, WTTC * indicates calendar year

Growth and structure of service sector

The service sector has not experienced major structural shifts during the last several years. Its contribution to GDP increased negligibly (Table 3.7). The wholesale and retail trade were the major contributor in the service sector, accounting for about 13 percent of GDP. This sector covers a major part of rural non-firm activities and employment. The second largest service subsector was the community, social and personal services. Personal services include jobs performed by chauffeurs, plumbers, electricians, tailors, household support staff, florists, hair dressers, beauty salons and parlors. The share of this sector in GDP has slightly declined in the last two years. The next largest services subsector was the transport, storage and communication services. The contribution of this sector is also on decline. The transport sector is largely dependent on land

² Modernisation is defined more specifically in terms of growth of new activities that is much more skill based, involves better technology and relatively more capital-intensive. These activities include telecoms and ICT, banking and financial services, aviation industry, international shipping, hospitality industry (hotel and restaurants) and modern storage and transport support services. Each of these activities holds considerable growth prospects and can cater to both domestic and international demand.

transport system. Water and air transport could not gain momentum because of infrastructural constraints. Education and health services together account for about 5 percent of GDP.

Services contribution to growth

The growth of service sector has stabilized at around 6 percent during the last few years. The 7th Plan aims to increase the growth rate of service sector from 5.8 percent in FY 2015 to 7 percent in FY 2020 with an average growth rate of 6.49 percent per annum. The review of the growth performance shows that the pace of the service sector growth increased to 6.25 percent in FY 2016 and 6.69 percent in FY 2017 (Table 3.8). A very high growth of 11.71 percent according to Table 3.8 was realized in education in FY 2016. A low base of this sector and private provisioning of education has helped to this higher growth rate. Along with the education sector, public administration, financial intermediation, and health services have grown faster than GDP.

Table 3. 7: Structure of service sector (% of GDP)

	FY15	FY16	FY17
Wholesale and retail trade	13.33	13.01	13.05
Hotel and restaurants	1.03	1.04	1.03
Transport, storage & communication	10.38	10.27	10
Financial intermediations	3.86	3.86	3.91
Real estate, renting and business activities	7.34	7.51	7.73
Public administration and defense	3.51	4.05	4.19
Education	2.6	2.82	3.04
Health and social works	2.09	2.11	2.08
Community, social and personal services	12.21	11.79	11.46
Services sector	56.35	56.46	56.5

Source: BBS

Table 3. 8: Growth rate of Service Sector (%)

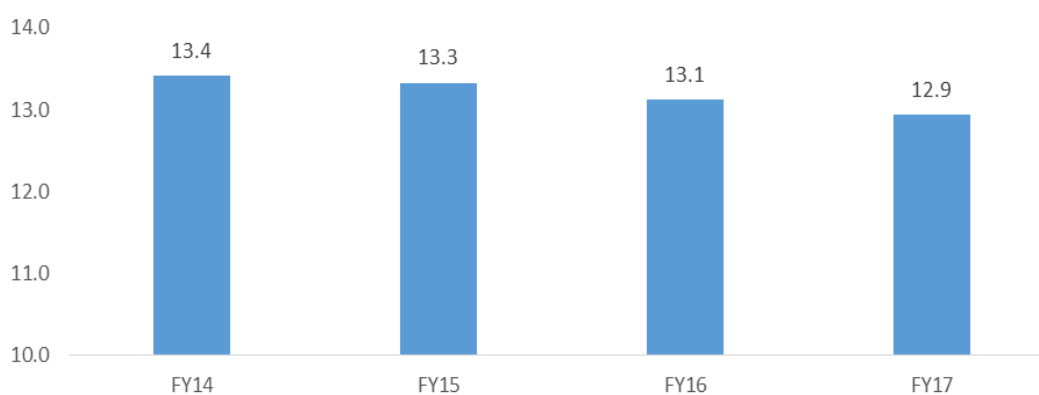
	FY15	FY16	FY17
Wholesale and retail trade	6.35	6.5	7.37
Hotel and restaurants	6.83	6.98	7.13
Transport, storage & communication	5.96	6.08	6.76
Financial intermediations	7.78	7.74	9.12
Real estate, renting and business activities	4.4	4.47	4.8
Public administration and defense	9.82	11.43	9.15
Education	8.01	11.71	11.35
Health and social works	5.18	7.54	7.63
Community, social and personal services	3.28	3.3	3.62
All services	5.8	6.25	6.69

Source: BBS

Growth of modern services

Modernization of the service sector is a major challenge to further develop this sector. The modernization is defined in terms of growth of new activities that is more skill based, involves better technology and relatively more capital intensive. The 7th FYP considers telecoms and ICT, banking and financial services, aviation, international shipping, hotel and restaurants, and modern storage and transport support services as modern services. According to the plan, the share of modern services in the service sector was 13.3 percent in FY 2015 which is expected to increase to 17 percent by FY 2020. Against this, the performance of this service has not been satisfactory as its share declined in the last three years (Figure 3.8).

Figure 3. 8: Share of modern services (% of service sector)

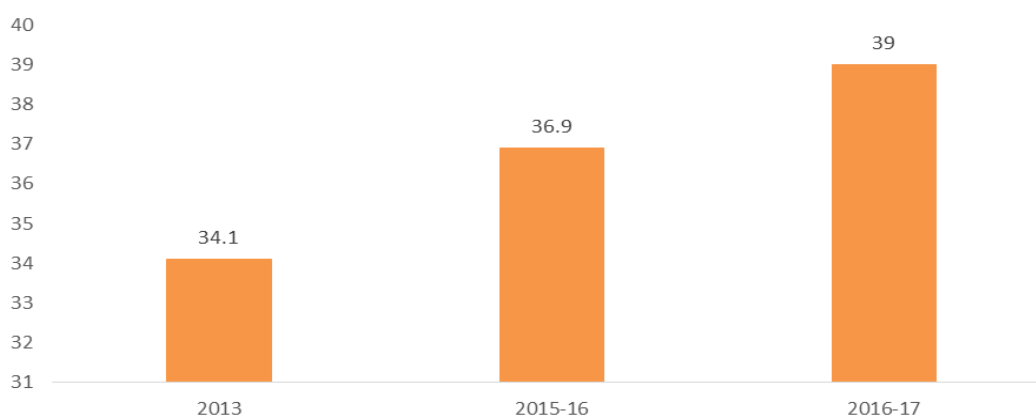


Source: Based on data from BBS

Services contribution to employment

According to the Labor Force Survey (LFS) 2016-17, the service sector directly contributed to 39 percent of employment, supporting 23.7million jobs (Figure 3.9). The share of employment of this sector was 34.1 percent in 2013 and 36.9 percent in 2015-16, employing about 19.8 million and 21.9 million people, respectively. This sector helped absorb some of the excess labour of the agricultural sector.

Figure 3. 9: Services contribution to employment (%)



Source: LFS 2013, 2015-16 and 2016-17

Among the services subsectors, the wholesale and retail trade contributed most in total employment followed by transport and storage, education, household activities accommodation and food services activities and others (Table 3.9). In comparison with LFS 2013, there was a major structural shift in employment in the sectors like wholesale and retail trade, transportation and storage, and accommodation and food service activities. Employment share of few subsectors such as financial and communication services, professional services, administrative and support services and health services hardly changed.

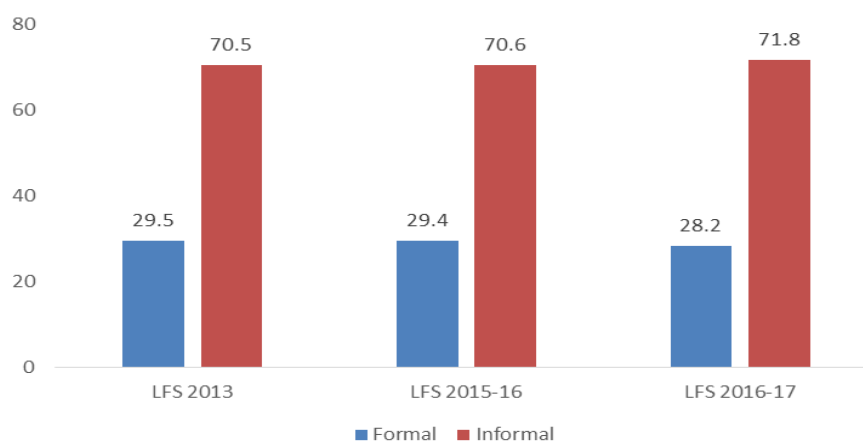
Table 3. 9: Employment contribution by services subsector (%)

	2013	2015-16	2016-17
Wholesale and retail trade	13	13.4	14.2
Transportation and storage	6.4	7.7	8.6
Accommodation and food service activities	1.5	1.7	1.9
Information and communication	0.2	0.3	0.3
Financial and insurance	0.8	0.7	0.7
Real estate activities	0.1	0.2	0.2
Professional, scientific and technique	0.6	0.4	0.4
Administrative and support service activities	0.7	0.6	0.6
Public administration and defense	1.3	1.7	1.6
Education	3.2	3.6	3.6
Human health and social work activities	1.3	0.9	0.8
Arts, entertainment and recreation	0.1	0.1	0.1
Other service activities	2.8	3.8	4
Activities of households as employer	2	1.8	2
Activities of extraterritorial organ	0	0	0
Total	34.1	36.9	39

Source: LFS 2013, 2015-16 and 2016-17

Considering the employment in service sector, about 71.8 percent of workers are in the informal sector whereas only 28.2 percent are in the formal sector (Figure 3.10). The share of informal employment has increased in comparison with 2013 and 2015-16. The level of informality varies among the services subsectors. Transport and storage services, art and recreation, and household services are mostly informal where more than 80 percent of jobs are informal.

Figure 3. 10: Formal and informal employment in service sector (%)



Source: LFS 2013 and 2015-16

Services export

The 7th FYP provides a detailed strategy to increase the growth of non-labor export services, specifically ICT, international transport services and tourism. It outlines incentive policies and initiatives to encourage foreign investment in export-oriented services. Export of nonfactor services increased significantly and reached to US\$ 3.16 billion in FY 2017 (Table 3.10). The share of services export to total export (goods and services) increased from 7.84 percent in FY 2016 to 8.31 percent in FY 2017 (EPB). Government goods and services was the largest source of services export followed by business services, transportation, telecommunications and information services, construction services and others. Among the services subsectors, export earnings from travel, construction, financial services and other business services are growing faster than the growth rate of services export.

Table 3. 10: Services export by subsector

	FY12		FY14		FY16		FY17	
	Value	Share	Value	Share	Value	Share	Value	Share
All Services	2491.4	100	3115.3	100	2919.38	100	3164.69	100
Manufacturing Services	42.5	1.7	62.1	2.0	0	0.0	1.26	0.0
Maintenance and repair services	0	0.0	5.2	0.2	3.39	0.1	4.31	0.1
Transportation	336.1	13.5	460.9	14.8	412.7	14.1	436.31	13.8
Travel	97	3.9	142.4	4.6	155.79	5.3	290.94	9.2
Construction Services	28.9	1.2	45.7	1.5	83.92	2.9	135.62	4.3
Insurance Services	11.6	0.5	2.5	0.1	0.42	0.0	2.14	0.1
Financial Services (except insurance)	49.1	2.0	59.2	1.9	82.48	2.8	88.47	2.8
Charges for the use of intellectual Property	0.8	0.0	0.3	0.0	0.6	0.0	4.1	0.1
Telecommunication and Information Services	520.7	20.9	444.8	14.3	473.77	16.2	376.5	11.9
Other Business Services	313.1	12.6	403.3	12.9	447.98	15.3	502.84	15.9
Personal, Cultural and Recreational	2.1	0.1	20.5	0.7	7.08	0.2	8.94	0.3
Government goods and services	1089.5	43.7	1468.3	47.1	1251.24	42.9	1313.26	41.5

Source: Export Promotion Bureau (EPB)

Tourism

Bangladesh is blessed with the longest sea beach in the world at Cox's Bazar and the largest mangrove forest at the southern part of the country. It is a place of natural beauty with a wonderful composition of mountain, forest, and sea. Despite all these beauties, the tourism industry of Bangladesh could not grow much. This sector has a high potential to expand increasing its contribution to GDP. The tourism sector has strong forward and backward linkages and can contribute to GDP and employment directly and indirectly. The World Travel and Tourism Council (WTTC) reports the contribution of tourism to the economy on regular basis. According to their estimates, tourism directly contributes to about 2.15 percent of GDP and 1.82 percent of employment in 2016 (Table 3.11). The total contribution of this sector was 4.29 percent of GDP, employing 2.19 million people directly or indirectly. Trends show that the

contribution of tourism to GDP and employment is on the decrease. Poor quality of travel and tourism infrastructure and security issues of foreign visitors are hindering the growth of this sector. Besides, the recent influx of Rohingya refugees from Rakhine State of Myanmar to Cox's Bazar is expected to have negative impact on tourism in the medium term. Immediate actions are needed to improve the performance of tourism sector in Bangladesh to achieve the target under the 7th Plan.

Table 3. 11: Contribution of tourism, 2013-16 (percent if otherwise indicated)

Indicators	2013	2014	2015	2016
Direct Contribution to GDP	2.10	2.23	2.18	2.15
Total Contribution to GDP	4.25	4.44	4.35	4.29
Direct Contribution to Employment	1.76	1.88	1.84	1.82
Total Contribution to Employment	3.70	3.89	3.81	3.76
Capital Investment in tourism (million USD)	674.67	732.40	824.36	917.85

Source: Based on *Travel and Tourism Economic Impact 2014-2017, Bangladesh, WTTC*

ICT services

The 7th FYP has emphasized on the growth of ICT sector as part of the initiative under the digital Bangladesh work programme. An important target for the ICT services exports is to boost the penetration of Bangladesh into the global ICT market through a well-thought out ICT strategy that looks at both domestic market and the global market. Although government has taken several initiatives to increase the export of ICT services, its share in total services export has fallen in the last fiscal year. Earnings from ICT services export stood at US\$ 520.7 million in FY 2012. It then declined to US\$ 376.5 million in FY 2017 (table 3.10). The underlying reason behind the lower export earnings of ICT services could be that the domestic market of these services is booming, and the suppliers prefer to supply in the domestic market rather than export.

The service sector is constrained by the shortage of skilled manpower. ICT, tourism and financial services require high skilled professionals having technical or professional training on ICT and language skills. In contrary, service sector is characterized by low skilled informal employment. According to the Labor Force Survey 2016-17, about 71.8 percent of people engaged in service sector are informal in nature.

Chapter Four

Progress with Macroeconomic Stability

Macroeconomic Objectives under the 7th FYP

The 7th Plan targets to increase the pace of GDP growth from the realized growth rate of 6.5 percent in FY 2015 to 8 percent by the end of the plan period. This would result in an annual average GDP growth of 7.4 percent over the duration of the 7th FYP. If the target growth is achieved, per capita GDP growth will reach 6.7 percent by FY 2020 with an average growth rate of 6 percent per annum during the plan period.

The planned growth rate will allow per capita consumption to grow by over 25 percent per annum. Since an accelerated pace of GDP growth will require a higher rate of investment, the 7th Plan projected a sustainable increase in investment as proportion to GDP from 28.9 percent in FY 2015 to 34.4 percent at the end of FY 2020, averaging 32 percent of GDP per annum for the period 2016-20. Most of the incremental domestic investment is expected to come from the private sector. Private sector investments are forecast to increase by 4.5 percentage points to reach 26.6 percent of GDP in FY 2020. Despite the emphasis on the private investment, public sector investment remains an important determinant of GDP growth. During the last plan period, public sector investments increased significantly, however it failed to crowd in private sector and foreign direct investments (FDI). The public investment is projected to rise by 1 percentage point during the 7th FYP. The weak and inadequate infrastructure in Bangladesh and insufficient supplies of power and energy imply the importance of public sector investment activities in these sectors. In order to address the growing infrastructure needs, the ADP allocation is expected to increase from 4 percent of GDP in FY 2015 to 5.7 percent in FY 2020.

The increased demand for domestic investment is predicated upon higher national savings. The national savings is envisaged to increase by 3.1 percentage points, from 29 percent of GDP in FY 2015 to 32.1 percent of GDP in FY 2020. As part of national savings, government savings rate is planned to increase to about 2.2 percent of GDP in FY 2020, from an average rate of 1.4 percent of GDP. The growth in national savings alone would not be enough to meet the required investment level. Therefore, of the planned 5.5 percentage points in gross investment, about one-fourth would need to come in the form of FDI.

The envisaged faster GDP growth rate along with increased public and private investments, higher per capita consumption and national savings rate will help improve living standards, greater asset/wealth accumulation, and quicker poverty alleviation.

In terms of external sector management, the 7th Plan aims to reach the export volume of US\$ 54.1 billion in FY 2020 with an annual average growth rate of 12 percent per annum. This is consistent with the US\$ 60 billion export target of the government by FY 2021. Under the export-led growth strategy, export earnings from the RMG sector is envisaged to rise by US\$ 20 billion within the plan period. Leather and footwear sector are expected to have large growth potential partly because of its low base, contributing to targeted export expansion. Other non-traditional sectors including ICT, food processing, shipbuilding and light engineering are also thought to have high growth potential. With the rapid growth of GDP and export, overall import is forecast to grow to US\$ 72.8 billion by FY 2020, averaging 12.1 percent annual growth rate. Although exports and imports are expected to grow at about the same rate, a larger base of imports implies the deficit in the current account to reach 2.5 percent of GDP at the end of the plan period.

Remittance sent by Bangladeshis working abroad are projected to increase from US\$ 15.2 billion in FY 2015 to US\$ 25.4 billion in FY 2020, with an average annual growth rate of 10.9 percent. The widening deficit in the current account will be materialized by the large surplus in the capital and financial account. Financial account is expected to be driven by increased FDI inflows. The 7th Plan aims at increasing FDI from the current inflow of 0.9 percent of GDP in FY 2015 to 3 percent of GDP at the end of the plan, with average growth rate of 43.2 percent. Overall balance in the balance of payments will be surplus during FY 2016-FY 2020. The official foreign exchange reserve of Bangladesh Bank is projected to expand to US\$ 49.5 billion by FY 2020, having the capacity to serve 7.3 month of import payment.

The exchange rate and monetary policies of Bangladesh Bank will be aiming to contain external balance and to maintain macroeconomic stability. The 7th Plan aims to contain the inflation rate through restrained monetary policy from 6.4 percent in FY 2015 to 5.5 percent in FY 2020.

Macroeconomic Performance – At a Glance

Bangladesh's overall macroeconomic performance in the first two years of the 7th Plan is quite impressive except for a few specific areas that have come under some strain. The macroeconomic performance in the first half of the plan period is summarized in Annex Table 1.1. Real GDP exhibits an impressive growth for FY 2016 and FY 2017, surpassing the targeted growth path of the 7th FYP. The balance in the current account was in surplus in the first year of the plan as against of a deficit envisaged. The FY 2017 saw a deficit equivalent of 1.5 percent of GDP, which was just about one-third of the (negative) balance projected.

International trade is an area that has been associated with unfavorable developments, particularly in the last fiscal year (FY 2017). Both exports and imports as proportion to GDP were higher than targeted in FY 2016 but fell short of their respective targets for FY 2017. This was mainly due to an unprecedented slowdown in global trade affecting most countries in the world (more on this is discussed later in this chapter). The slowdown in workers' remittances has also been disappointing both for FY 2016 and FY 2017. Against a target of US\$ 17.3 billion, remittances received in FY 2016 was just US\$ 14.7 billion. Then, for FY 2017 as well there was a huge gap between the targeted inflow of US\$ 19.1 billion and the actual amount (US\$ 12.6 billion) realized. The weakness in petroleum prices and slowdown in global trade had led to a worldwide decline in inflow of remittances. Estimates provided by the World Bank show that global remittances fell from close to US\$ 600 billion in 2014 to US\$ 574 billion in 2016. This gloomy global scenario affected many developing countries including Bangladesh. The use of informal channel in transmitting remittances in the face of an appreciated taka is also widely perceived as a reason aiding the declining flows for Bangladesh.

The weakness in exports and remittances has however been accompanied by subdued import demand. This means there has been no discernible adverse impact on current account balance and foreign reserves. In fact, foreign reserves have continued to grow and surpassed the targets of the 7th FYP. At the end of FY 2016, Bangladesh had reserves equivalent of 8 months' imports as against of the target of 6 months. For FY 2017, reserves grew further to cover 9 months' imports. The improvement in the reserve situation can partly be explained by subdued levels of private investment demand. Such investment as proportion to GDP increased substantially in FY 2016 over FY 2015. However, it hardly changed between FY 2016 and FY 2017, at 23 percent, in comparison with the 7th FYP targets of 23.7 and 23.9 percent respectively.

In the area of fiscal management, there has been some positive development, particularly as the tax-GDP ratio increased from 8.5 percent in FY 2015 to 9.0 percent in FY 2017. However, the realized tax-GDP ratio was far below the target of 11.5 percent of GDP in FY 2017. For FY 2016 as well, the tax-GDP ratio (8.8 percent) fell short of the target of 10.6 percent. The less-than-targeted tax-GDP ratio did not cause any apparent pressure on public expenditure as the budget deficit has been continually below the targeted 5 percent of GDP. Deficit financing from external sources was less than 1 percent of GDP and has been falling. It thus shows that the dependence on foreign funding is reduced despite the country's financing large projects and maintaining bigger fiscal deficits (in absolute terms).

Prudent fiscal and monetary management helped contained the inflation rate. The headline inflation level, as indicated by the CPI, came down to 5.4 percent in FY 2017, which was lower than the targeted rate of 6 percent. The increase in CPI in FY 2016 was also lower than targeted. The total consumption expenditure fell below the target, reaching 74.7 percent of GDP. This decline has contributed to a higher national savings rate and higher domestic investment. Although the gross investment remained below the predicted rate, it increased significantly by 1.6 percentage points over the level of FY 2015 to reach 30.5 percent of GDP in FY

2017. Unlike the private investment, public sector investment exceeded the target for both FY 2016 and FY 2017. The government's initiatives to finance mega-infrastructure projects including Padma Bridge, MRT-6, elevated expressways, and investment in power and energy generation partly explain the increase of the public investment.

On the whole, therefore, the macroeconomic performance shows a mixed bag of success. While improved economic growth, stability in the price level and growth in public investment are important positive developments, declining remittances and weakness in export growth appear to be areas of major concern. The unfavorable trends in remittances and exports to a large extent can be attributable to global phenomena. Nevertheless, overall economic outlook later in the plan period could critically hinge upon the performance of external resource flows in terms of exports, remittances and FDI. Particularly, policy measures need to be explored to revitalize the export sector. Both export expansion and diversification are of critical importance.

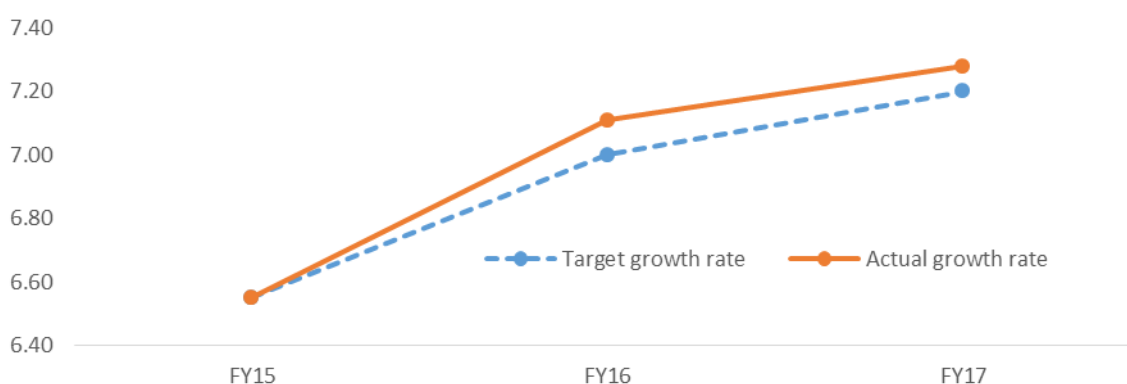
GDP Growth Outcomes

Bangladesh economy has demonstrated impressive growth performance over the past several years. Starting with a fragile economic base in 1971, the country managed to accelerate the output expansion rate, raising the GDP growth rate from less than 4 percent in the 1980s, to above 5 percent in the 1990s, followed by more than 6 percent in the 2000s.

The 7th Plan envisaged to accelerate the GDP growth rate to 8 percent in FY 2020, averaging annual growth rate of 7.4 percent during the plan period. To achieve the growth target, investment rate is expected to increase from 28.9 percent of GDP in FY 2015 to 34.4 percent in FY 2020. The growth path in Figure 4.1 shows that Bangladesh has successfully exceeded the target growth path in the first two years of the plan period. In FY 2017, the 7th Plan projected a growth of 7.2 percent, against which the actual growth achieved was 7.28 percent. The industrial sector has been particularly vibrant. The industrial output grew by 10.22 percent while the manufacturing sector recorded a growth rate of 10.69 percent in FY 2017. The gross domestic investment, 30.5 percent of GDP during this time, was slightly lower than the projected investment-GDP ratio. Public investment has so far been above the target. Private investment, on the other hand, has increased significantly - by 1.6 percentage points between FY 2015 and FY 2017 - but remained below the target of the plan.

The growth performance of the 7th Plan is therefore satisfactory so far. Achieving targeted growth rates in the coming years will require reinvigorated investment activities led by the private sector and revitalized exports and remittance inflows. Continued political stability can also help boost consumers' and investors' confidence which is considered a precondition for sustaining high GDP growth.

Figure 4. 1: Actual and target GDP growth in 7th FYP(%)



Source: Bangladesh Bureau of Statistics (BBS) and 7th FYP

Employment Performance

The 7th Plan aims to create large-scale employment opportunities for the huge and growing labor force of the country. It is envisaged that 12.9 million additional jobs will be available during the five years of the 7th FYP, including some 2 million jobs abroad for migrant workers. The number of job creation will be higher than the additional people who will be entering the labour market during this time so the backlog of under-employment can be dented significantly.

The labour force survey data published by BBS shows that total employed population stood at 60.82 million in 2016-17 – up from 58.07 million in 2013 (Table 4.1). The labour force participation (LFR) rate is still very low, especially for the female, which stood at just 36.3 percent as against the corresponding rate for male at 80.5 percent. Overall, the LFR, combining both men and women, improved slightly from 57.1 percent in 2013 to 58.2 percent in 2016-17.

The annual rate of growth of employment in the Seventh Five-Year Plan (2016-2020) is projected using an employment elasticity of 0.45. The official statistics shows that during 2013-16, the realized employment elasticity was just 0.12 percent (Figure 4.2). The elasticity, however, somewhat improved to 0.3 percent given the employment data for 2016-17. Yet, it is much below the elasticity used to estimate jobs in the seventh plan.

Table 4. 1: Employment performance

	2013	2015-16	2016-17
Total employment (million)	58.07	59.53	60.82
Labor force participation rate (%)	57.1	58.5	58.2
Manufacturing employment (million)	9.5	8.6	8.8

Source: Labor force survey 2013, 2015-16, and 2016-17

Figure 4. 2: Employment elasticity of growth (%)



Source: Estimation based on BBS national accounts and LFS data

Employment generation in the domestic market was below the target in the first two years of the seventh plan (Table 4.2). It was estimated that a total of 10.9 million additional jobs will be available in the domestic market, whereas only 1.78 million jobs were created during the two years of implementation of the 7th FYP. The total additional employment generation (domestic and overseas labour market) was half the target in

2016. The situations then improved significantly with employment generation in 2017 being 2.2 million, close to the target of 2.4 million. It is to be noted that a total of 1.46 million additional people per annum has been added to the labour force between 2013 and 2016; and another 1.38 million joined in 2017.

Table 4. 2: Employment generation during 7th FYP Period

	FY16		FY17	
	Actual	Target	Actual	Target
Employment generation (million) ³	0.49	1.9	1.29	2
Migrant work (million)	0.68	0.4	0.91	0.4
Additional employment (million)	1.17	2.3	2.20	2.4
Additional Labour force (million) ⁴	0.49	1.9	1.38	1.9
Excess employment (million)	0.68	0.4	0.82	0.5

Source: Seventh Five Year Plan, Labour force survey, BMET data as reported in Bangladesh Bank.

The 7th Plan aims to create good jobs for the large pool of under-employed and new labor force entrants by increasing the share of employment in the manufacturing sector from 15.4 percent to 20 percent between FY 2015 to FY 2020. However, according to the Labor Force Survey 2016-17, the share of manufacturing employment in total employment remained stagnant at 14.4 percent (Table 4.3), lower than the previous peak of 16.4 percent achieved in 2013. This would imply manufacturing employment in absolute terms falling from 9.5 million in 2013 to 8.8 million in FY 2017 despite the sector's achieving a robust output growth during the same period: the growth in the manufacturing sector was 10.22 percent in FY 2017 (Table 4.1). While this raises the question if manufacturing sector going through the phase of jobless growth, until now it has remained an unresolved matter. More surveys and analyses will be needed to better appreciate the trends in employment and output growth in the sector. The Share of agriculture in employment has declined. This is expected given the structural transformation of the Bangladesh economy that is taking place. Employment in the services sector has increased from 34.1 percent to 39 percent between 2013 and 2016-17.

Table 4. 3: Sectorial contribution to employment

	2013	2015-16	2016-17
Agriculture	45.1	42.7	40.6
Industry	20.8	20.5	20.4
Manufacturing	16.4	14.4	14.4
Other industry	4.4	6.1	6
Services	34.1	36.9	39

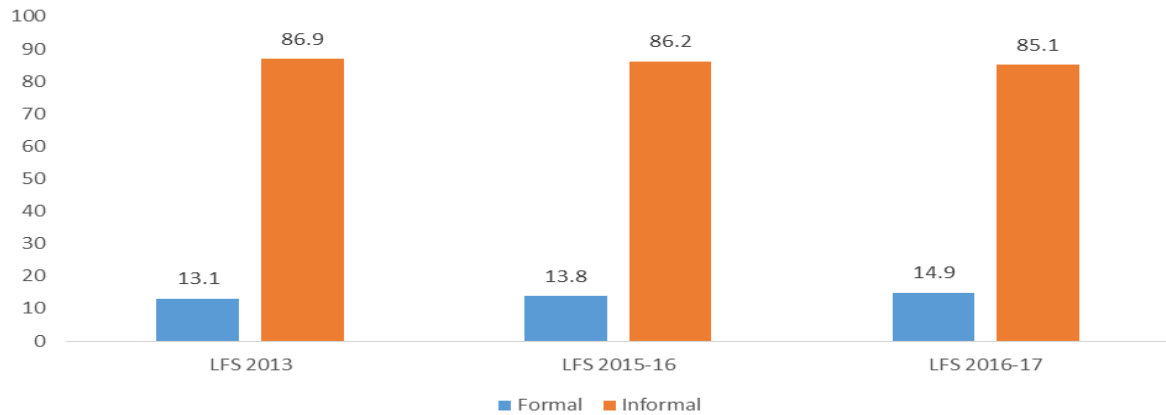
Source: Labor force survey 2013, 2015-16

The employment rate in the informal sector could be an important indicator of the overall quality of jobs that are being created in an economy. The labour productivity in the informal sector is thought to be lower relative to the formal sector. Bangladesh's employment is overwhelmingly dominated by the informal sector jobs: according to the Labor Force Survey 2016-17, about 85.1percent of employment is informal in nature (Figure 4.3). The share of informal jobs was 86.9 percent in 2013. Almost all jobs in agriculture (95.4 percent) are informal in nature.

3 Additional employment comprises new overseas employment plus new domestic employment. Excess employment is the number of jobs created (in home and abroad) over and above the number of new entrants to the labour force.

4 Employment generation and additional labour force have been calculated by comparing LFS 2013 and 2016, and taking simple yearly average.

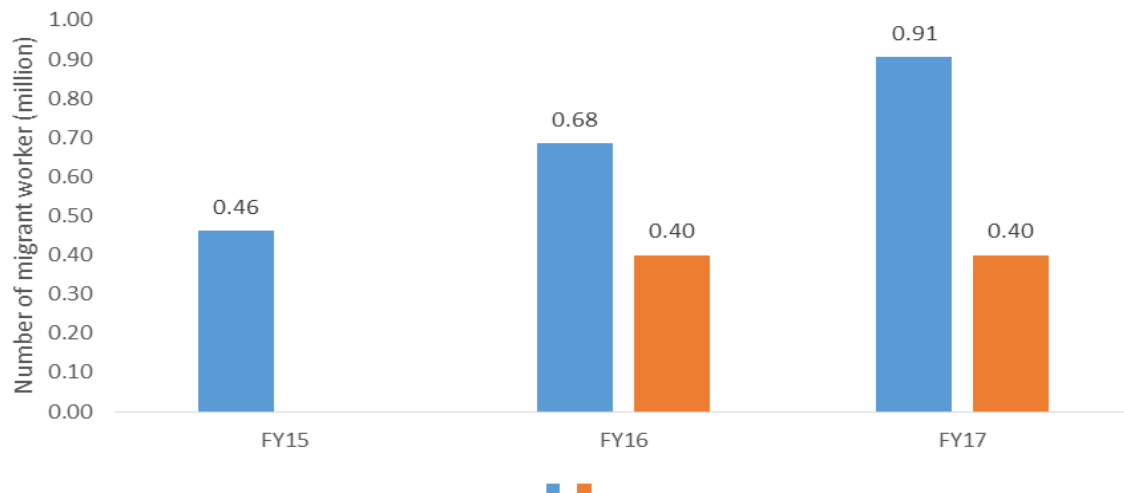
Figure 4. 3: Formal vs informal employment (% of total)



Source: Labor force survey 2013, 2015-16 and 2016-17

Notable progress has been made in creating jobs for migrant workers. Indeed, the targets for the number of migrant workers have been surpassed in the last two fiscal years (Figure 4.4). In FY 2015 (the last year of the 6th Five Year Plan), the number of Bangladeshis went abroad with jobs was 0.46 million. Since then, an additional 1.6 million migrant workers had left the country. This is quite impressive as against the combined target of 0.8 million for the two-periods of FY 2016 and FY 2017. The 7th Plan envisaged a total of 2 million job opportunities abroad. About 80 percent of this target has been achieved in the first two years of the plan period. It is worth noting that despite the increased outflow of migrant workers, total remittances received had declined during the past couple of years. As discussed elsewhere, depressed global economic outlook and subdued economic activities due to weakness in oil prices in some labour-importing countries could be reasons for dismal remittance inflows for Bangladesh. However, as world economic activities are picking up and given the recent robust growth in migrant workers' jobs, it is expected that remittances will bounce back.

Figure 4. 4: Migrant workers: actual vs. target under Seventh Plan



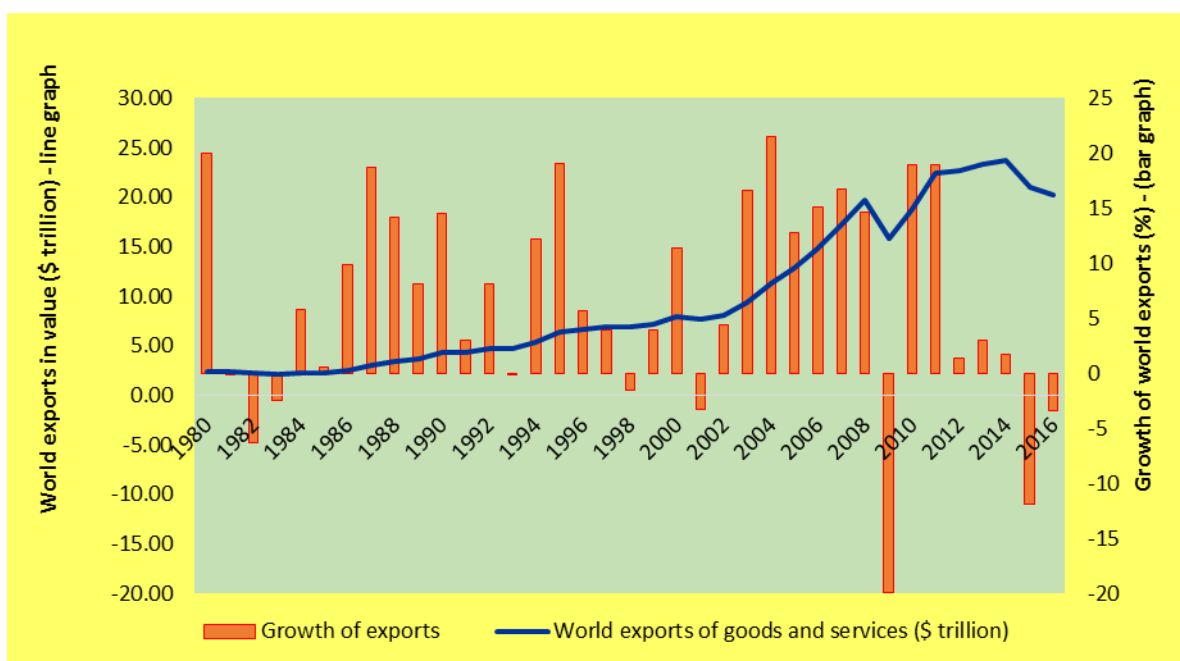
Source: Bureau of Manpower Employment and Training (BMET)

External Sector Performance

As indicated above, the initiation of the 7th Plan has been accompanied by unfavorable trends in the external sector largely due to slowdown in global trade, FDI and remittances. Export earnings measured in US dollars registered a close to 9 percent growth in FY 2016, which was much improved performance over FY 2015 when growth was just 3 percent. However, the growth of exports fell short of one percentage point of the targeted rate for FY 2016. The FY 2017 was marked by a disappointing performance as export grew only by 1.73 percent as against of a target of 11 percent.

The weakness in exports was mainly because of an unprecedentedly prolonged slowdown in global trade. Estimates by IMF show world trade in real terms (i.e. in volume) for the past six years on average expanded by less than 3 percent per annum as against of about 6 percent recorded for 1980–2008. If the projections for the next four years turn out to be correct, 2012–21 will be the slowest decade of global trade expansion since the World War II. Measured in value terms - using US dollars - world merchandise exports declined by a staggering US\$ 2.5 trillion in 2015 (from the previous year), and then again fell by more than US\$ 500 billion in 2016 (Figure 4.5). UNCTAD export data for individual countries show that as many as 183 countries had experienced reduced export earnings in 2015 (compared to the previous year) while for 112 countries export earnings similarly declined in 2016. Given such a gloomy global landscape, Bangladesh did better by securing a modest export growth in both the years.

Figure 4.5: World exports in value terms (in US\$ trillions) and its yearly growth



Source: Based on the data from IMF

Despite the weakness in exports, Trade deficit remained below the target in the first half of the plan period. This is because import growth was subdued as well and fell below the targeted growth rates for both FY 2016 and FY 2017 (Annex table 1.2). The current account was in surplus in the first year of the plan period, followed by a deficit, which was however smaller than the deficit projected in the Plan.

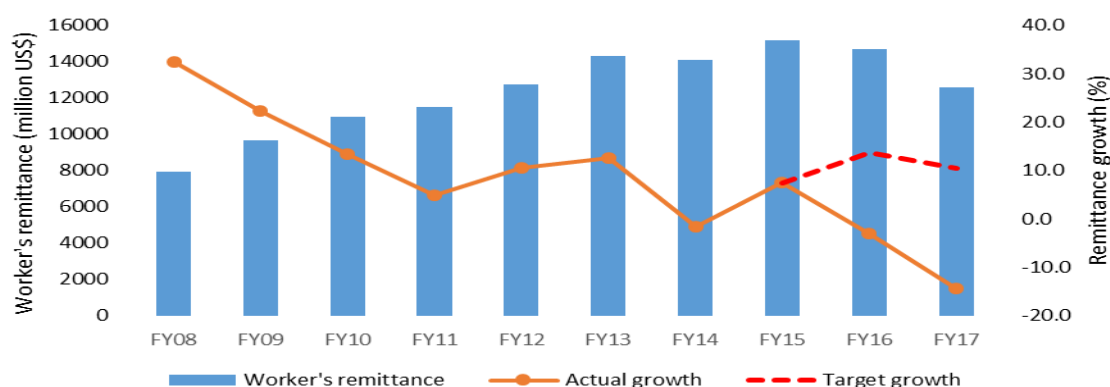
The capital and financial account showed sizable surplus in the two consecutive years of the 7th Plan. FDI inflows experienced negative growth of about 30 percent in FY 2016. It then recovered in the following year

reaching US\$ 1.7 billion. FDI inflow, which was 0.7 percent of GDP, is far below the target of 1.8 percent of GDP in FY 2017. Higher growth in public sector investment in energy, power and transport infrastructure could not positively influence FDI inflow into Bangladesh.

Trends in Remittances

Unfavorable developments in the global trade and investment flows have also affected remittances received by Bangladesh in the first two fiscal years under the 7th Plan. Against high targeted growth rates, remittances fell absolutely for both FY 2016 (by close to 3 percent) and FY 2017, when it declined by a staggering 14.5 percent. In absolute value, during the last two financial periods, remittances declined from US\$ 15.2 billion in FY 2015 to US\$ 12.6 billion in FY 2017 (Figure 4.6). Global economic slowdown and the continued weakness in oil prices are the principal reasons for the negative growth in remittances. Since the major destinations of Bangladeshi migrant workers are mainly the oil-exporting Middle-eastern countries, oil prices greatly affect economic activities, influencing migrant incomes and remittance-sending behavior.

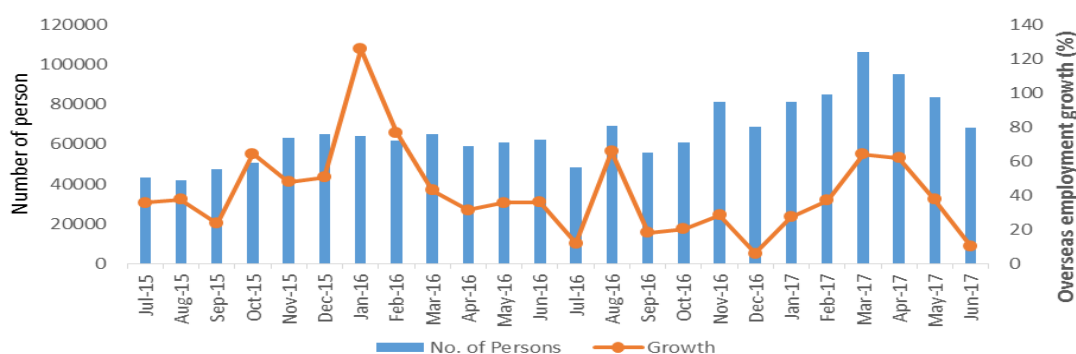
Figure 4. 6: worker’s remittance - actual and projected growth under 7th FYP



Source: Bangladesh Bank and 7th FYP

Despite the decline in remittances, as mentioned earlier, outflow of migrant workers increased significantly during the same time. Overseas employment has grown about 48 percent in the first year of the plan and about 32 percent in the second year. Monthly outflow of migrant workers has been shown in Figure 4.7. The apparently robust migrants’ employment seems to suggest the downward trend in remittances is likely to be transitory and the inflows would bounce back.

Figure 4. 7: Worker’s migration and growth



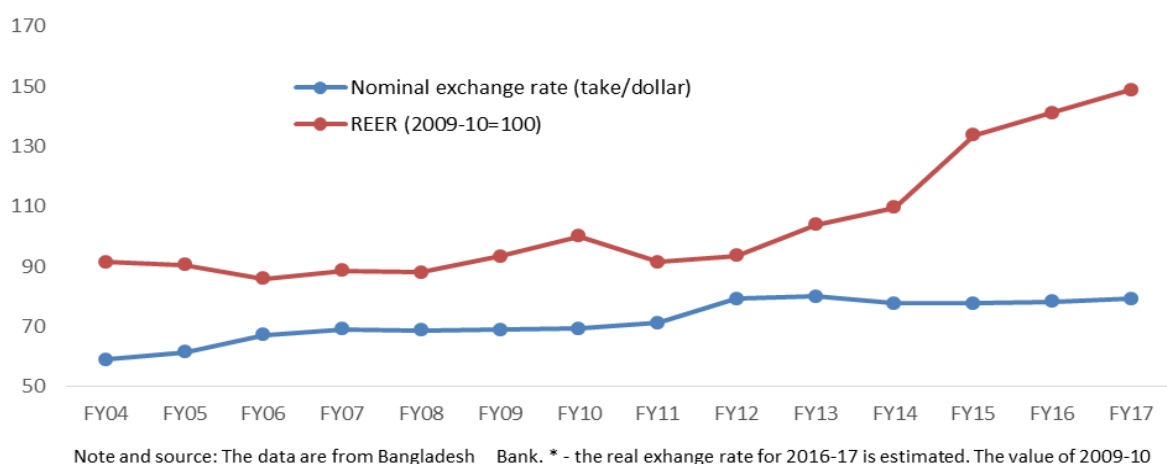
Source: Monthly Economic Trends, Bangladesh Bank

Exchange rate policy

The exchange rate policy of the Bangladesh Bank is an important factor determining external balances and foreign reserves. Prudent management of the exchange rate is critical for macroeconomic stability of a country. Recent monetary statement by the central bank aims to maintain stability of the exchange rate, ensure sustainable balance in the external sector, build foreign reserves further and continue with macroeconomic stability.

Although Bangladesh Bank was successful in keeping the exchange rate of the taka against the dollar stable, the real effective exchange rate (REER) has appreciated sharply (Figure 4.8). Between FY 2012 and FY 2017, the REER appreciated by more than 50 percent. A rising trend in the real exchange rate appreciation severely undermines Bangladesh's external competitiveness. For a country like Bangladesh, management of the exchange rate is important for a diverse set of policy objectives including bolstering economic growth, containing inflation and maintaining external competitiveness. While the country has been successful in avoiding large and abrupt rises in nominal exchange rates (NERs), RER appreciations are often a major challenge. In the face of rising price levels, currency depreciation is regarded as a wrong policy choice, contributing to inflationary pressures. On the other hand, mounting inflationary differentials with trade partners will be reflected in appreciated RER thereby weakening the country's export competitiveness. There is robust cross-country empirical evidence that exchange rate movements are important for export performance. Therefore, management of the exchange rate remains a delicate task.

Figure 4. 8: Nominal and Real Exchange Rate



Implementation of Fiscal Policy during the Plan period

In fiscal management area, the budget deficit was on track: it has been consistently less than 5 percent of GDP (Annex table 1.3). However, the government's revenue generation lacked momentum in both the periods of FY 2016 and FY 2017. The total revenues including grants were projected to be at 13.9 percent of GDP in FY 2017 but was realized to be just 10.2 percent of GDP – a shortfall of more than 3.7 percentage points from the targeted achievement. Indeed, both total revenues and grants and total expenditure remained far below the target (Figures 4.9 and 4.10).

The total revenue collection as proportion to GDP increased from 9.5 percent in FY 2015 to 10 percent in FY 2016, and then to 10.2 percent in FY 2017. But it was much lower than the targeted proportion of 10.6 percent of GDP in FY 2016 and 11.5 percent in FY 2017. Both tax and non-tax revenues have been lower than the targets set up in the 7th FYP.

Figure 4. 9: Total revenue and grants: target vs. actual

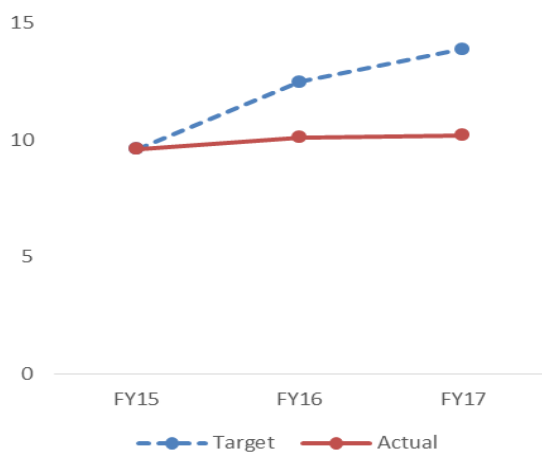
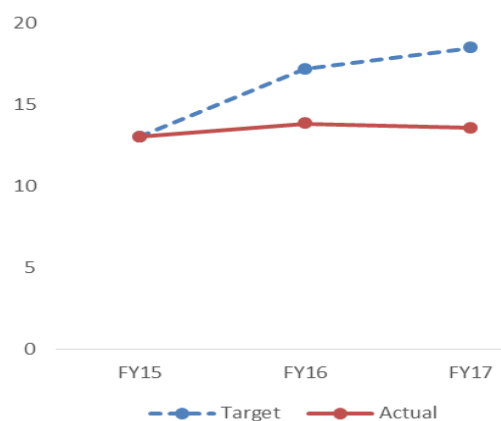


Figure 4. 10: Total government expenditure: target vs. actual



Source: Ministry of Finance and 7th FYP

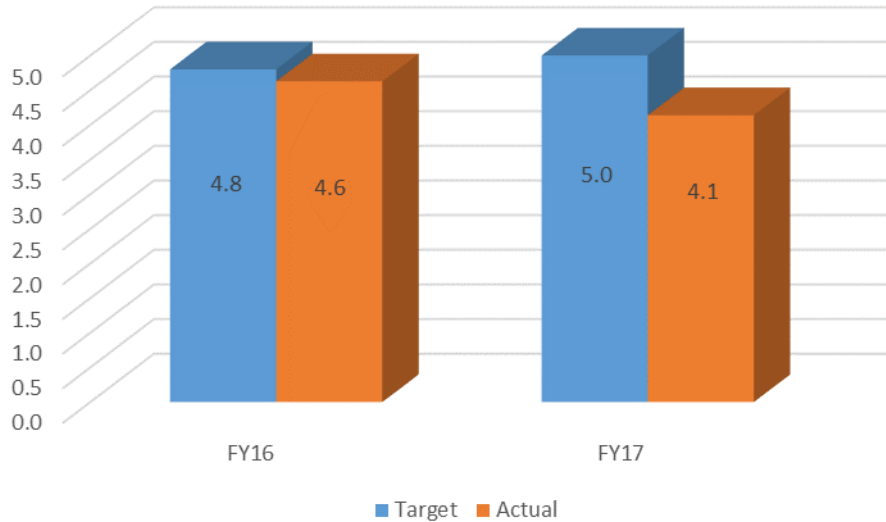
To finance the fiscal deficit, the government has relied on domestic sources of financing in the first half of the plan period. Domestic borrowing from bank and non-bank sources was quite stable. External financing for the deficit has declined sharply which in turn implies the falling foreign dependency and improving strength of the domestic economy.

ADP implementation

The 7th Plan aims to increase ADP expenditure significantly to undertake large infrastructure projects. With the higher spending on ADP and significant improvements in improving the power supplies, the infrastructure gap is expected to be reduced. The government has already prepared a fast-track list of priority activities. Several important projects in power, energy and transport sectors are being implemented under this fast-track initiative. Besides, the Government expects the Public-Private Partnership (PPP) in infrastructure investment to gain momentum in the 7th Plan. Despite receiving adequate policy attention, the performance of ADP implementation has fallen short of target. Particularly, the projected implementation rate as percent of GDP for FY 2017 has been significant lower (Figure 4.11). In fact, the ADP implementation rate in the 7th Plan could continue to be a major challenge for Bangladesh.

The Annual Development Programme (ADP) expenditure has had a major setback in FY 2017 as it fell in absolute terms and as proportion to GDP as well. ADP expenditure fell sharply in FY 2017 both in terms of absolute value and percent of GDP. In FY 2015, the actual ADP expenditure was TK 600 billion, which increased to TK 800 billion in FY 2016, and then improved slightly to TK 817 billion in FY 2017. The 7th Plan envisaged a development expenditure of TK 970 billion in FY 2016 and a much bigger projection of TK 1210 billion for FY 2017. As proportion to GDP, the actual ADP expenses were just about 4.1 percent as against of 5 percent target for FY 2017.

Figure 4. 11: ADP implementation: target vs. actual (% of GDP)



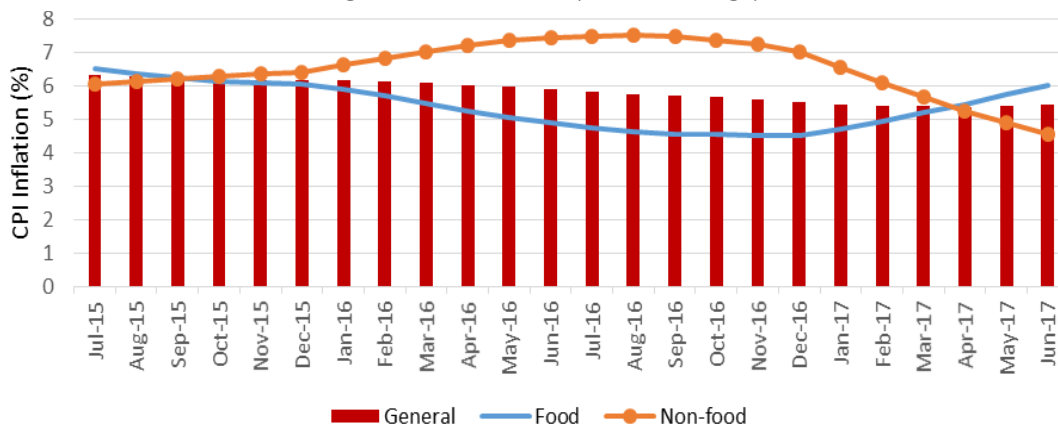
Source: Ministry of Finance and 7th FYP

Inflation and Monetary Management

Bangladesh Bank’s monetary policy aims to stabilize CPI inflation along with supporting output and employment growth. In recent years, it has emphasized more on stabilizing CPI inflation. Extremely cautious but explicitly growth-supportive and restrained monetary stance has been implemented. The objective of this policy stance was to stabilize inflation at moderate level, support public policies of inclusive and sustainable growth and maintain exchange rate in favor of external balance.

Prudent monetary management has helped depress the inflationary pressure on the economy. The inflation rate based on CPI has decreased to 5.4 percent in FY 2017, well below the projected ceiling of 6 percent, decreasing by about 1 percentage point from 6.4 percent in FY 2015. The nonfood-inflation was higher than food-inflation during September 2015 to March 2017. However, since then food inflation has picked up while non-food prices declined (Figure 4.12). A devastating flood at the end of the FY 2016 damaged major crops causing upward pressure on food prices. Policy measures relating to the relaxation of food import, particularly of rice, including tariff cuts and market monitoring have greatly helped ease off the inflationary pressure.

Figure 4. 12: Inflation (Month average)



Source: Bangladesh Bank

Monetary aggregates broadly were in line with the 7th Plan targets (Table 4.4). Net foreign assets have exceeded the planned outcome in both periods of FY 2016 and FY 2017. Net domestic assets and broad money were below the target; however, these were in line with the increasing trend. The policy support to the private sector is clear: the domestic credit to private sector has expanded significantly, going above the target. The public-sector credit has shown a negative growth in the last financial year as the government paid-off matured T-bills/T-bonds with proceeds of larger than planned sale of National Savings Certificates (NSCs).

Table 4. 4: monetary policy outcome

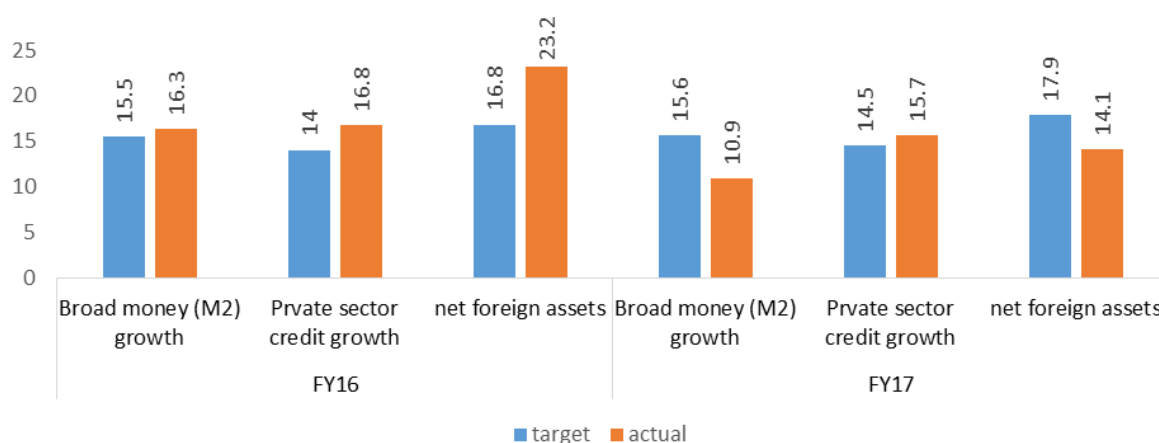
(in billion taka)

Monetary Components	FY15	FY16		FY17	
	Actual	Target	Actual	Target	Actual
1. Net Foreign Assets	1892.3	2102	2331.4	2478	2660.0
2. Net Domestic Assets	5983.9	7249	6832.4	8364	7500.8
Domestic Credit	7015.3	8582	8012.8	9997	8906.7
Public Sector	1269.3	2129	1302.7	2609	1146.1
Private Sector	5746.0	6452	6710.1	7388	7760.6
3. Broad Money	7876.1	9407	9163.8	10878	10160.8
Reserve Money (billion USD)	25.0252	27.9	30.2	32.6	33.5

Source: Bangladesh Bank and 7th FYP

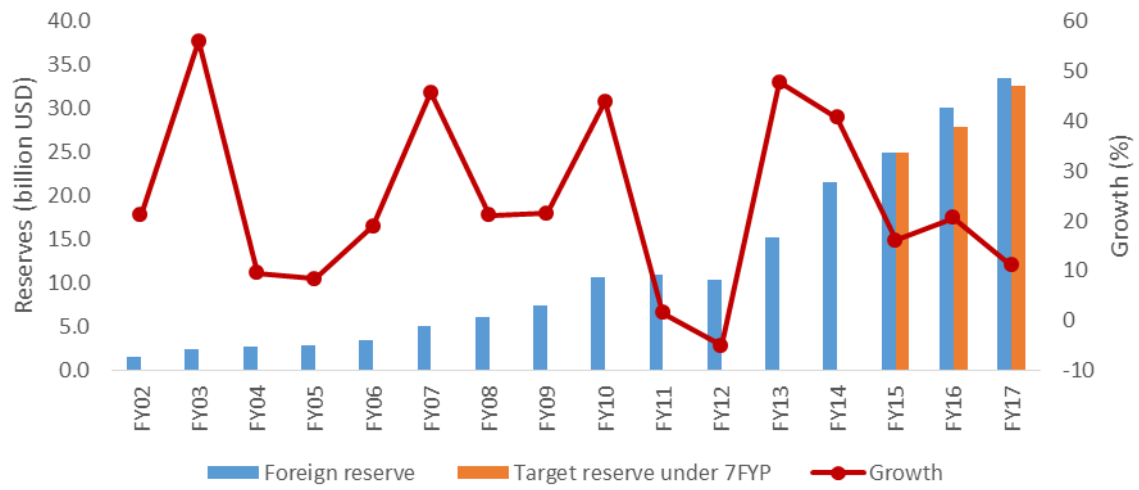
Figure 4.13 depicts the actual and target growth of key monetary aggregates. Broad money (M2), net foreign assets and domestic credit to the private sector all have expanded more than the target growth in the first year of the plan period. However, broad money and net foreign assets fell short of the target in FY 2017. Bangladesh Bank data shows continued growth in foreign exchange reserves for the last 15 years except for FY 2012 (Figure 4.14). The reserves reached US\$ 30.2 billion in FY 2016 against the target of US\$ 27.9 billion. In FY 2017, it further rose to US\$ 33.5 billion, exceeding the target of US\$ 32.6 billion. The reserves at the end of FY 2016 were equivalent to import payments of 9 months.

Figure 4. 13: recent monetary policy target and outcome (growth rate)



Source: Bangladesh Bank and 7th FYP

Figure 4. 14: Foreign exchange reserves



Source: Bangladesh Bank

Chapter Five
Progress with Urban Development and
Urbanization

Introduction and Background

As Bangladesh graduates from the LDC status, the decrease in the share of agriculture sector in GDP, and increasing importance of manufacturing and services sector indicates a rapid growth of urbanization. In 2016, 35.04 percent (WDI, World Bank) of the total population of Bangladesh lived in the urban areas. The Perspective Plan of Bangladesh (2010-2021) projected that by 2021 nearly 33 percent of the total population of Bangladesh will be living in the urban areas. The rising population density in the urban areas intensifies the mounting problems related to housing, waste management, safe drinking water, sanitation facilities and security. According to the MDGs Bangladesh Progress Report 2015, the urban population is increasing at the rate of 3.5 percent per annum and is expected to reach 60 million in 2051. During the MDGs period, the proportion of urban population living in slums declined from 77.8% in 2000 to 55.1% in 2014. With 33 percent (BBS, 2015) of the urban population living in the slums, the challenges become more acute. The SDGs aim to ensure access for all people to adequate, safe and affordable housing and basic services and upgrade slums by 2030. In line with the targets set in SDGs, the 7th FYP aims to pursue a set of objectives through comprehensive and inclusive urban development planning.

Review of Urbanization Strategy under the 7th Plan

The 7th FYP urbanization strategy focuses on ensuring well balanced urbanization while facilitating economic development, employment generation, reduction of inequality and poverty eradication. The core goals and targets highlighted in the 7th FYP regarding urban development include:

- Infrastructural investment and civic facilities in peri-urban growth centers especially around Special Economic Zones
- Inclusive housing and other civic services for urban inhabitants including for people living in informal settlements and slums
- Inclusive urban planning based on sustainable land use planning and zoning
- Increased productivity, access to finance, and policy support for urban micro-small and medium enterprises

The base line values of the performance indicators identified in the 7th FYP to monitor the progress of implementing urbanization strategies against their 2020 targets are given in Table 5.1. Current status of these performance indicators is not yet available.

Table 5. 1: Performance Indicators for the Urban Sector

Performance Indicator	Baseline (2015)	Target by 2020	Current Status
Percentage of urban population living in slums	33	25	Not available
Percentage of urban population having access to (a) public health service (b) safe drinking water (c) sanitation facilities	a) 87.0 b) 56.3 c) 72.0	a) 100 b) 100 c) 100	a) Not available b) 71.3 (2017) c) 87.0 (2017)
Percentage of urban solid waste regularly collected	63.2 (2015)	75	Not available

(Source: SVRS, 2017)

Urban Governance Strategies and Outcomes

The 7th FYP puts emphasis on ensuring good governance in the urban areas through increased accountability, transparency, responsiveness and inclusiveness in the urban governance bodies. It recognizes that a comprehensive and holistic urban development plan should involve close private and public partnership. One of the greatest challenges of rapid urbanization is the degradation of environment in the urban areas. The relevant city corporations have undertaken several urban resilience projects in this regard to minimize the pollution of air, water, and soil through better management of solid waste in the cities. Institutional capacity building in the urban institutions have also been given priority by the Local Government Division of the Government. However enhanced effort is needed in mobilization of resources in order to ensure efficiency in the implementation of urban based projects and to increase local revenue generation to successfully finance the urban infrastructure projects.

Many of the cities in the country are vulnerable to natural disasters like floods, earthquakes, heavy rain etc. Rapid urbanization in Bangladesh deepens the threat of non-functioning of the existing drainage systems. To improve the capacity of municipalities for better drainage system and waste management system, decentralization of institutional power and increased transparency is crucial. The 7th FYP has identified increasing transparency through adaptation of anticorruption policies, e-tendering system etc. as a precondition for effective urban governance.

Urban Housing Strategies

7th Five Year Plan outlined the government's objective to establish an efficiently regulated housing market with reduced administrative constraints and improved functionality. The major strategies were set accordingly as following: 1. Help the land market to work efficiently, 2. create efficient housing market, 3. improving the mechanism for financing housing, 4. providing basic infrastructure and services, 5. supporting development of appropriate building materials and technologies.

Ministry of Housing and Public Works takes the lead in governance of this sector with Public Works Department (PWD) playing a pioneering role in management of the construction segment. Urban Development Directorate (UDD), National Housing Authority (NHA), RAJUK, CDA, RDA, KDA and the Department of public Health Engineering (DPHE) and the Local Government Engineering Department (LGED) under the Ministry of Local Government, Rural Development and Cooperatives, also acts as associate agencies for designing and implementing schemes to ensure urban development.

A total budget of Tk. 256,900 lakh was allocated in FY 2018 for the development expenditure of this sector. Bangladesh National Building Code (BNBC) was formulated and some rules of Land Development Regulations of Non-Government Housing Project were included in the gazette after amendment. Moreover, the ministry also enacted the Cox's bazar Development Authority Act 2016. The Detailed Area Plan (DAP) was also drafted for update after the previous installment.

Under the National Housing Authority (NHA), during the last three years 64 projects have been approved among which, eleven projects have been implemented in housing sector. Three of these were regarding the construction of flats and others were concerned with plot development. A total of 650 flats have been constructed and 2227 plots have been developed as a part of these projects.

Urban Development Directorate (UDD) was reported to be responsible for generating the development plan and action area plan for Madaripur and Rajoir Upazilla in Madaripur districts, which were found to be completed. In addition, three researches on urban sector planning were also conducted by UDD.

Public Works Department (PWD) has introduced e-GP system for government procurement. One project of Capacity Development on Natural Disaster-Resistant Techniques of Construction and Retrofitting for Public Buildings (CNCRP) has been implemented to produce efficient human resource to inspect and ensure the state of security of buildings vulnerable and prone to danger.

Rajdhani Unnayan Karttripakkha or RAJUK has delivered more than 13000, 6000 and 1000 residential plots at new Purbachal City, Uttara 3rd Phase project and the Jhilmil project respectively. Gulshan Central Park has also undergone modification to provide for recreation service to the dwellers of Gulshan, Dhaka. The 1st phase of Digital Archiving has been completed to aid in improving the speed and transparency of RAJUK's activities.

The Development bodies for the Chattogram, Khulna and Rajshahi division also took up the mantle to speed up some particular area and structural plans. Khulna Development Authority completed land acquisition under Ahsanabad Residential Area Development project implementing on 90 acres land by KDA's own finance. 266 residential plots have been allotted to the people under the project titled 'Expansion of Banalata Commercial Area and Development of Residential Area' in Rajshahi.

The Ministry of Housing and Public Works focused on the initiatives covered by the Housing and Building Research Institute during the last three financial years. A total of 6 research works on house building materials and the innovation of technology have been completed. 1500 samples of construction materials and load bearing capacity of 12,000 construction establishments were examined, and 1600 persons were provided with training on housing and construction. The construction material of alternative bricks of 30000 and other construction materials have been produced as part of the construction materials introduced by the Institute. So far, 2300 construction workers from earthquake prone districts have been provided with awareness building training. In order to build awareness of the people, disaster-proof infrastructure objects have been constructed in different places across the country under the Research and Awareness Building Project. For the first time, earth-quake exhibitions have been organized and guidelines on fire-fighting have been published.

The Dhaka Structure Plan Report 2016-2035 put significant emphasis on planning for housing in cities in accordance with the need of the increasing population and establishing residences close to mass work places in a decentralized manner. It also aimed to mobilize Bangladesh House Building Finance Corporation to facilitate in increasing housing supply for low and middle-income group population. But the implementation progress is a matter of concern here, due to the administrative constraints and bureaucratic issues. For instance, the National Housing Policy was approved in 2016, but it is not being implemented properly. Most of the housing initiatives are outlined in the 7th FYP, thus proper attention and efforts placed according to the prescriptions provided, along with their timely implementation can lead to a developed housing system for Bangladesh.

Urban Transportation Strategies

A profound importance was attached to the strategies constructed for developing the transportation sector within the urbanization initiatives. The 7th Five Year Plan provided the framework for this sector with assistance from the following strategies- 1. Developing public transport alternatives, 2. Focusing on Non-Motorized transport modes (NMT), 3. Strengthening linkages with cities and towns around metropolitan areas, 3. Coordinating development of land use and transportation, 4. Making better use of existing road infrastructure, 5. Reforming existing institutions, 6. Prioritizing infrastructure projects.

The Road Transport and Highways Division has the responsibility of administering the road and transport sector of Bangladesh, in association with Bangladesh Road Transport Authority (BRTA), Bangladesh Road

Transport Corporation (BRTC), Dhaka Transport Co-ordination Authority (DTCA), Dhaka Mass Transit Company Limited and other agencies.

Activities of Dhaka Mass Rapid Transit Development Project (DMRTDP) with construction of Line-6 from Uttara 3rd phase to Bangladesh Bank has started and consultant for detail design work, construction supervision, procurement support, institutional development, and consultant for resettlement assistance have been appointed. Different surveys along the route alignment such as topographic, traffic count, geographical, right of way, historical importance/archeological and environmental base line surveys have been completed. In addition, detail design work has been finalized. Detail design work of BRT (Bus Rapid Transit) line from Hazrat Shahjalal (R) International Airport to Jhilmil via Mohakhali-Ramna-Gulistan has been completed with the financing of development associates, with a view to introduce an integrated ticketing system across different modes of public transports, clearing house has been established, and piloting to introduce smart card “Rapid Pass” has been completed.

Dhaka Integrated Traffic Management Project (DITMP) was also announced with Tk 442.00 lakh allocated for this scheme in the Revised Budget of FY 2017. In last 3 years BRTA issued 9,73,547 digital registration certificates and 17,21,200 fitness certificates for motor vehicles. Also, 73 Thousand professional drivers of motor vehicles were provided skill and awareness building training on safety measures.

Strategies for Reduction of Urban Poverty and outcomes

Data indicate that both urban and rural poverty decreased between 2010 and 2016 but the decrease was higher in rural areas than in urban areas. The HIES 2016 preliminary report reveals that incidence of urban poverty reduced from 21.3 percent to 18.9 percent in 2016, while rural poverty declined from 35.2 percent in 2010 to 26.4 percent in 2016. The reduction in rural poverty was 3.7 times higher than that in urban poverty, possibly resulting from the higher poverty reduction interventions in the rural areas compared to the urban areas. Using the lower poverty line, the incidence of poverty at national level is estimated to be 12.9 percent (which was 17.6 percent in 2010), with 7.6 percent in urban areas and 14.9 percent in rural areas, for the year 2016. These estimates illustrate a reduction of 0.1 percent in urban poverty and 6.2 percent in rural poverty.

A large section of the urban population which official statistics classify as not being among the ‘poor’ still face serious deprivations because of inadequate asset bases and inadequate access to basic services. Thus, a discussion of urban poverty in terms of income or calorie intake, does not give any idea about the extent to which the urban poor have access to urban infrastructure and basic services like shelter, water, sanitation, drainage, waste management, health, etc. This is a growing challenge that must be recognized and brought to the forefront and will require designing of appropriate strategic interventions.

The 7th FYP stresses the need for broad based urban poverty reduction strategy for sustainable economic growth of the country. Specific strategies have been suggested in the 7th FYP in this regard, including (i) easing access to land and housing, (ii) special zones for the urban poor, (iii) need for upgradation of urban slums, (iv) increasing low income housing loan, (v) increasing rental housing (vi) ensuring access to infrastructure and services, (vii) ensuring access to assets, (viii) supporting informal sector activities, (ix) providing access to credit, (x) providing training and capacity building, (xi) supporting home based income generating activities, (xii) providing land for business and (xiii) providing social protection. The Local Government Division has undertaken specific projects to achieve these objectives by 2020, which include generating employment opportunities for poor people through the construction, rehabilitation and maintenance of 2580 km roads and footpaths, 420k.m. drains and 1115 community sanitary latrines etc. in the urban areas under Urban Infrastructure Improvement Projects.

The Bangladesh Demographic and Health Survey 2014 reports that access to an improved source of drinking water is almost universal in Bangladesh (98 percent). The most common source of drinking water in urban areas is a tube well or borehole (67 percent), followed by water piped into the dwelling (14 percent), water piped to the yard or plot (9 percent), and a public tap or standpipe (8 percent). In contrast, a tube well or borehole is practically the only source of drinking water in rural areas (94 percent). For 76 percent of households, the source of drinking water is within the premises. One in five households spends less than 30 minutes round trip to obtain water.

The Local Government Division has made it a priority to enhance involvement of women in infrastructure development projects with the aim of increasing participation of women in income generating activities. Increased involvement of women in economic activities will help to reduce incidence of urban poverty in the country.

Chapter Six

Progress with Human Resource Development (Education, Health and Population)

Introduction

As Bangladesh moves towards the ranks of higher-middle income country status with flourishing economic growth, thus arises the imperative need for a special emphasized recognition towards the concept of human resources in policy making and development initiatives. Human resource has a two-way relation with development process, being both the contributors and the recipients of growth. Bangladesh, despite its impressive success in attaining economic growth, is still lagging-behind in the various aspects of human capital, namely in health, education, population and nutrition standards. These in turn effect the employment, manpower and productivity of the country.

The 7th FYP allocated much attention towards building and improving the human capital of Bangladesh. It outlined specific indicators depicting the status of human resource and policies constructed as a part of the 7th FYP. This chapter looks to identify the progress made in each of the sub- sectors of human resource through a qualitative assessment of the goals, objectives and strategies, followed by the implementation review of various policy initiatives undertaken in this phase of the plan. The chapter ends with a brief glance at the cross-cutting issues, along with a discussion on the future progress.

Education (primary, secondary and tertiary)

A significant part of the current population of Bangladesh belongs to the age cohort that comprises the school age population. Education in Bangladesh has three major stages-primary, secondary and higher educations. The institutional arrangements for Primary level education are mainly provided under two streams-general and Madrasah, while for secondary education there are three major streams: general, technical-vocational and Madrasah. Similarly, Higher education also has 3 streams: general (inclusive of pure and applied science, arts, business and social science), Madrasah and technology education.

The governance of this vast sector has been put primarily under the responsibility of two institutions: Ministry of Primary and Mass Education (MoPME) and the Ministry of Education (MoE). MoPME is responsible for preschool, primary education and mass literacy, with its subordinate departments namely, Directorate of Primary Education, Bureau of Non-Formal Education (BNFE) and National Academy for Primary Education (NAPE) and a few others. MoE is responsible for secondary and higher education, along with vocational and tertiary level education. The Secondary and Higher Education Division and the Technical and Madrasah Education Division, within this ministry are allotted these responsibilities accordingly.

Education Sub-Sectorial Goals, Strategies and Targets

The objectives for education development were designed to target both the qualitative and quantitative aspects to ensure a comprehensive coverage and compact implementation. Each stage of education attainment was looked to be tackled with unique perspectives that would be appropriate for that sector.

Objectives and strategies for primary education: 1. Ensuring enrollment/ Making education available for all children without disparity, with the aid from student stipend programs and Inclusive Education initiatives; 2. Improving the Teaching and Learning process in school with enhanced training for teachers, combining ICT equipped classrooms and effective delivery of quality textbooks; 3. Effective and decentralized Management, along with enhanced infrastructure and financing.

Objectives and strategies for secondary education: 1. Prevent dropouts and maintain a consistent transition from primary levels, emphasizing on female enrollment to promote Education for All (EFA) goals and ensure inclusion; 2. Incorporating information technology to execute augmented learning and eradicate digital divide in education standard between urban and rural areas; 3. Resource management and improvement

of infrastructure, with skill development training and capacity building for teachers to establish quality education system; 4. Increased number of educational institutions and stipend programs, suitable curriculum and timely circulated textbooks to ensure efficient functionality of education system.

Objectives and strategies for non- formal education: 1. Elimination of illiteracy for all individuals of all ages and extending opportunities for effective skill training through Education for all programs and establishment of Non-Formal Education Board; 2. Creating a community-based network of learning centres in order to create scope for ICT based continuing and lifelong learning; 3. Madrasah Education to be made more productive and job-oriented, with addition of vocational courses and updated text materials and teaching aids. Special attention to capacity development of Madrasah teachers, including training on ICT aided teaching.

Objectives and strategies for higher education: 1. Expand the number of universities to satisfy increasing demand without a compromise to the standard and quality of University Education, by prioritizing on academic infrastructure (i.e. library, laboratory & IT facilities); 2. Increase the rate of higher education attainment, while trying to bridge the gap of enrolment between male-female, poor- non-poor and rural-urban population, 3. Enhanced fund allocation and efficient implementation of development projects, with particular focus on teachers training, Science, technology and research, business administration.

Progress with achievement of the 7thFYP targets

Primary education enrolment rates have increased with females leading the way with a higher rate of enrolment. Table 6.1 provides a review on the progress of education sector indicators to assess the situation prevailing in the first phase of 7th Five Year Plan. The government's campaign for 100% enrolment, along with stipend programs, school feeding program and bringing pre-primary education contributed to this success. The most laudable initiative by Prime Minister Sheikh Hasina is the stipend distribution among 1 Crore 30 lakh mothers of primary students through mobile banking in 1st March, 2017. Even though the figures for secondary or tertiary level education have also increased notably from 2010 to 2015, standalone they are not satisfactory.

Table 6. 1: Current Status of the Indicators for the Education Sector

Performance Indicators	Baseline Status	Target (2017)	Target (2020)	Current Status
Net enrolment rate (%) by gender in (a) Primary	(a) Total: 97.7 (Girls: 98.8, Boys: 96.6,) (2014)	Total: 98.7 (Girls: 99.1, Boys: 98)	Total: 100 (Girls: 100, Boys: 100)	97.94% (Boys 97.10% and Girls 98.82%) (APSC -2016)
(b) Secondary	(b) Total: 62.25 (Girls: 67.74, Boys: 57.04) (2014)	(b) Total: 71.05 (Girls: 76.38, Boys: 65.65)	Total: 79.51 (Girls: 84.9, Boys: 73.92)	(b) Total: 67.00 (Girls: 71.85, Boys: 62.16) (BES-2015)
(c) Higher Secondary				c) Total: 28.25 (Girls: 26.24, Boys: 30.25) (BES-2015)
(d) Tertiary education	c) Total: 13 (Girls: 10.58, Boys: 15.32) (2014)	c) Total: 16.04 (Girls: 12.26, Boys: 17.3)	(c) Total: 20.6 (Girls: 15.30, Boys: 17.90)	Net enrolment rate data for Tertiary education not found.

Performance Indicators	Baseline Status	Target (2017)	Target (2020)	Current Status
Completion rate (%) by gender in (a) Primary	(a)Total:79 (Boys:75,Girls: 82) (2014)	(a)Total: 83 (Boys:83, Girls: 83)	(a) Total: 85 (Boys:85, Girls: 85)	(a)Total: 82.1 (Boys: 78.6, Girls: 85.4) (APSC -2016)
(b) Secondary	(b)Total: 58.41 (Girls:52.33 Boys:65.48) (2014)	(b) Total: 69.53 (Girls: 63.07, Boys 78.65)	(b) Total: 79.63 (Girls: 72.43, Boys 89.85)	(b)Total: 59.71 (Girls: 54.08 Boys:66.28) (BES- 2015)
(c) Higher Secondary				c) Total: 79.30 (Girls:75.40, Boys:83.17) (2015) (BES-2015)
(d) Tertiary				Completion rate data for Tertiary education not found.
Number of enrolled children with disabilities (by gender)	Total: 76,522 (Boys: 42,523, Girls: 33,999)	Total: 77670 (Boys: 43161, Girls: 34,509)	Total: 80000 (Boys: 45000, Girls: 35,000)	Total:67022, (Boys: 37260, Girls: 29762) (2016- APSC)
Percentage of schools that meet the Student Teacher Ratio (STR) standard of 46:1 (%)	62 (2014)	75	78	61.8 (2016- APSC)
Number of students in TVET system by gender	Total: 689663 (2014) (Girls: 27.43%, Boys:72.57%)	Total: 810915 (Girls: 27.93, Boys:72.07%)	Total: 933146 (Girls: 28.08, Boys:71.92%)	Total: 872658 (Girls: 23.94, Boys:77.06%) (BES-2015)
Adult literacy rate (%) of 15+ yrs old population	Total: 58.6 (2013) (Female: 55.4 Male: 62.9)	75.2	100	Total: 72.3 (Female: 69.5 Male: 75.2) (BSVS-2016)
Literacy rate of 15-24-year-olds, women and men (%)	Total: 86 (2014) (Women: 81.9, Men: 67.8)	91.6	100	Total: 86 (2014) (Women: 81.9, Men: 67.8) (BDHS-2014)
Public education expenditure as % of GDP	2.18 (2014)	2.3	2.5	2.94 (Budget FY2017-18)

Sources: Annual Primary School Census (APSC) 2016, Bangladesh Education Statistics (BES) 2015, Bangladesh Demographic and Health Survey (BDHS) 2014, National Accounts Blue Book, Bangladesh Bureau of Statistics (BBS) 2016, Bangladesh Sample Vital Statistics (BSVS) 2016.

Just increasing the enrolment rates by itself would not be adequate to ensure sustainable and quality education system. A great progress has been made in reducing school drop-out rate. In overall Primary Cycle, dropout rate in the year 2016 was 19.2 % (boys 22.3% and girls 16.1%) whereas it was 47.2% in the year 2005 and 39.8% in 2010. Similar can be said for the repetition rates. However, the rate doubled for Secondary level education, where drop- out rate was 40.3%, with nearly 46% girls opting out of school in 2015. Primary education completion examination pass rate in 2015 increased in both total numbers and for female students, the figures stood at 98.52 and 98.58 respectively. In Higher Secondary (College, 11 & 12 Class) Completion Rate and Dropout Rate reached 77.86% and 22.24% respectively, in 2015.

The rise in completion rates for secondary education also provides some hope for the future, but it is again clouded by the disparity between the sexes, where the rates have increased at a higher rate for the boys than that of the girls. The unequal progress between primary and secondary education level and even more disproportion with the tertiary education scenario proves that the latter areas require more attention to overcome the existing challenges. The unequal distribution of the number of schools across the divisions, along with inadequate management bodies contribute to this difficulty. Up to 2017, number of general colleges stood at 4238, where 117337 teachers were employed and 705 of these establishments were for female students particularly. Student- teacher Ratio for Primary schools and Higher Secondary colleges stood at 1:34 and 1:14, while in general colleges the average was 1:32. To ensure quality education the Student Teacher ratio (STR) plays a crucial role where overpopulated classrooms and inadequate teaching staff creates impediment in the process of efficient learning. The standard ratio of 1:46 prevails in only 61.8% of the primary schools, which stands far off the targeted share.

Government has attributed special concentration on maintaining a standard quality of education to make it more effective and functional and to provide equal access for all women and men to affordable and quality technical, vocational and tertiary education. Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months stood at 72.8% secondary, almost 39% for higher secondary and an unfortunate 15% in tertiary education. The government has also become successful in implementation of ICT education from secondary level to higher secondary level of education. In accordance with the governments' vision of digitalizing Bangladesh, ICT has been incorporated in many layers of educational system and further exposure is encouraged.

The Monitoring and Evaluation Framework of Sustainable Development Goals (SDGs): Bangladesh Perspective Plan by the General Economics Division (GED) has prepared and enlisted some indicators on this aspect, along with other targets of SDG, Goal 4. Table 6.1 describes the current status of education sector indicators.

Table 6. 2: Current Status of the Indicators for the Education Sector

Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	Total	Girls	Boys
Secondary	72.78	77.84	67.75
(b) Higher Secondary	38.99	35.86	42.12
(c) Tertiary	15.03	12.11	17.83
Proportion of youth and adults with information communications technology (ICT) skills, by type of skill	a) Computer	b) Internet	c) Mobile
15-24 yrs:	9.40%	10.60%	91.40%
25-74 yrs:	5.70%	7.50%	86.70%

Enrolment of children with disabilities has decreased from 83023 in 2010, 76522 in baseline year 2014 and 85204 in 2015, to a total of 67059 in 2016. About 5839 Special Needs Students were participating in Higher Secondary College in 2016, of which 2804 were female.

Number of students enrolled in technical and vocational education system exceeded the targets for both 2017 and 2018, as of year 2015, but the share of female participation remains lower than targeted. The adult literacy rate has increased from 58.6 percent in base year of 2013 to 72.3 percent in 2016, which shows that the trend corresponds with the target of achieving 100 percent adult literacy rate by 2020. Similar can be said for the overall literacy rate, which although is on the rise, still requires much effort and sustained initiatives to achieve the desired results. However, the ambitious goals along with the policies and strategies required to achieve them demand a higher public expenditure on education than that allotted currently. As of 2017, government only allotted 2.94% of the GDP for education purpose. In order to form an educated and efficient human capital base to move towards a better and prosperous Bangladesh, education sector should be among the sectors receiving top priorities and finances from the government.

Implementation of the Education Strategy, Policies and Programmes

Formal Education

The Government's current education vision taken in 7thFYP was in alignment with goals of Vision 2021 and National Education Policy 2010 (NEP). The policy was formulated as a result of the Government's obligation to the goals of Education for All (EFA) and the Millennium Development Goals (MDGs). The Government outlined the strategies, goals and targets to develop Primary education with the help of Third Primary Education Development Programme (PEDP III), a 5 years sub-sector wide program, introduced during the phase of 6FYP in order to improve primary education standards. The project started on July of 2011 to be completed by June of 2017, focusing on achievement of sub-sector wide results, covering all activities of primary education and MOPME. The total estimated cost of the program was TK 58,359,13.20 Lakh. However, an extension of program period for another one year and expansion of ICT activities, enhancing Education in Emergency, nationalization of registered non-government primary schools increased the total program cost to TK 76,500,00.00 Lakh. Of the 1964 schemes on construction, reconstruction and maintenance of schools that were reported as a component of this program, 1273 were reported as completed and the rest were reported to be ongoing.

Each Child Learns (ECL), the flagship initiative of PEDP III worth TK 1,848.76Lakh was initially piloted in selected 10 government primary schools under Dhaka district and gradually piloted in 980 government primary schools by end of June 2015. ICT in primary education also paved the way through multimedia classrooms operating in 100 model schools, with plans to extending the program to all 502 model schools.

Around 127,000 schools received more than 110 million textbooks within the first month of the school year in 2016. More than 90 percent of the schools have received textbooks within the first month of the academic year. 22,444 additional classrooms have been constructed in remote and underprivileged areas to reduce overcrowding in schools.

The strategies for Secondary education were aided with the implementation of two important development projects, Secondary Education Quality and Access Enhancement Project (SEQAEP)(2008-2014) and Secondary Education Sector Development Project (2007-2013). The SEQAEP was a follow-on project of Female Secondary School Assistance Project (FSSAP) I & II to improve quality of secondary education, enhancing equitable access and systematically monitor teaching-learning outcomes. The revision of this project extended it to December 2017 and expanded the project activities in around 12,100 institutions of 250 Upazilas to deepen the impact of well performing SEQAEP. Up to April 2017, 1200 additional class teachers have attended the 6-day long

basic teacher's training course as a part of the program and PMT scholarships are being provided to students in 40 Upazillas, in pilot basis, out of the 250 Upazillas under the project coverage. The project benefited more than 1.8 million students through stipends and tuition scheme, and around 1.0 million poor students received stipend to continue secondary education. Infrastructural aspects of the project led to installments of safe drinking water supply options, Latrines and sanitation facilities.

'ICT in Education Master Plan' holds a key role in connection with attaining the objectives of 'Vision 2021'. Substantial importance has been attached to incorporating ICT into the education system in the NEP. ICT courses for grade VI-XII have been introduced besides e-book conversion of 325 textbooks. Computer labs have been set up at 192 educational institutions as a part of Basic ICT Skills Transfer up-to-Upazila level. This project has also provided training to 7,890 teachers as master trainers and to 112,189 students. After running successful prototypes, Ministry of Education (MoE) and Ministry of Primary and Mass Education (MoPME) undertook two initiatives, Multimedia Classroom (MMC) and Teacher-led Digital Content Development. Digitalization of classrooms is currently an ambitious ongoing venture operating through two separate projects under MoE and MoPME. These projects are aimed at establishing 20,500 MMCs and 7,000 MMCs at the secondary and primary level respectively, with classrooms featuring internet connectivity, one laptop and one multimedia. As of now, Secondary and Higher Secondary ICT based Education project has established 20,000 MMCs (13,700 school, 5,200 madrassas and 1,600 colleges).

In order to aid the sustainability of this endeavor, 12,500 teachers have been trained to create multimedia content. A Teacher's Portal has been created (<https://www.teachers.gov.bd/>), where all the multimedia contents created and shared by teachers are stored. This portal thus also serves as the main facilitator for training teachers and students about e-learning contents.

The government of Bangladesh prepared its propositions for enhancing the status of Higher Education with respect to the 20-year Strategic Plan for Higher Education (2006-2026) titled Higher Education Quality Enhancement Project (HEQEP), an initiative that expresses a strong commitment from the government to strengthen investments in higher education, identifies issues and challenges comprehensively and recommends solutions to the problems to be tackled over a period of 20 years. The targets to be achieved are aligned with the Sustainable Development Goals (SDGs), the National Education Policy 2010 and the Government vision of establishing Digital Bangladesh by 2021. According to the 13th Semi-annual Monitoring Report (SAR)⁵ for January – June 2016, the Project Development Objective (PDO) of the HEQEP was to improve the quality and relevance of the teaching and research environment in higher education institutions through encouraging both innovation and accountability within universities and by enhancing the technical and institutional capacity of the higher education sector.

The 13th SAR for HEQEP also stated about 54000 students and 6000 faculty members to be direct beneficiaries of the subproject interventions, 30% of them were estimated to be female student beneficiary and 20 % were female faculty members. 61 Institutional Quality Assurance Cells (IQAC) have been established in 64 universities which are working on the self-assessment in the light of established framework of the IQAC Operational Manuals. Postgraduate students and faculty members working with Academic Innovation Fund (AIF) subprojects have produced 80 research reports up to the period of June 2016 and substantial number of publications is expected to be completed soon.

A total of 354,235 students were enrolled in Ebtedayee Madrasah system in 2016, among which 47.7% were girls. 11,709 teachers attended to these students with a student- teacher ratio of 30:1.

A total of 38,83,982 students were enrolled in the post-primary Madrasah system, including Dakhil, Alim, Fazil and Kamil formats. The student- teacher ratio for post primary levels was determined as 1:21. This

5 http://www.heqep-ugc.gov.bd/download_file/downloadfile_1484557786.pdf

portrays the vast portion of students enrolled in the religious education stream and the importance of ensuring an equitable and efficient academic system for them. Infrastructural development serves as one of the aspects of improving the Madrasah institutes to facilitate the demand for Madrasah sector. As a part of 7th FYP government planned on major infrastructural improvements in 6000 non-government Madrasahs, including extension of buildings with the help of Education Engineering Department (EED). Tk. 877.24 lakh has been allocated in the 2016-17 budget for improving government Madrasahs, while Tk. 350.00 lakh has been allotted to enhancement of the learning environment of selected Madrasahs in Bangladesh. The government has also identified the courses and curriculums, text materials and learning environment in various levels of Madrasah education as priority areas that need to be reviewed and revised. Including ICT as a part of the teaching and learning process in Madrasah is also among government's prime objectives for this sector. In April of 2017, the government declared that Dawra degree of Qawmi level of Madrasah will be accepted as equivalent to master's degree of national curriculum to reduce the disparity faced in the employment market scenario.

Non- Formal Education

The government formulated the Non-formal education (NFE) and adult literacy strategy with the help of NFE Policy (2006) and the National Skill Development Policy (NSDP). The NFE policy aimed to equip the population who were initially left out of the formal education system, with life-long learning opportunities, adequate technical and vocational knowledge, productive skill and life-skill for improving the quality of life. The NSDP binds formal and non- formal education policies, youth and training policies under one integrated framework. This National Skills Development Policy maps out the objectives and strategies for skills development in the future years and outlines the priority areas and main initiatives that government will be executing alongside the industries, workers and civil society.

A total of five Industry Skills Councils were established by Technical & Vocational Education & Training (TVET) project in agro-food processing, transport equipment, leather and leather goods, hospitality and tourism, and information technology sector. New Industry Skills Councils (ISCs) have recently been started in three industry sectors; ceramics, pharmaceuticals and furniture manufacturing. Four Centers of Excellence established in the leather sector, agro-food processing sector, tourism & hospitality sector and the readymade garments sector.

As part of the reform in Technical, Vocational Education and Training (TVET) sector, the Ministry of Education has implemented a six year long "Skills and Training Enhancement Project (STEP)" from July 2010 to June 2016. As a part of this project, Tk. 70 million has been allotted as implementation grant to 33 selected public and private polytechnic institutions to improve the quality and relevance of training. Till now, among other achievements, 93 diploma level polytechnic institutes (43 Public, 50 Private) were selected on competitive basis as 'eligible' for stipend and 68843 students were provided stipend of Tk. 800 per month. 31,710 trainees received short course training and stipend of Tk. 700 per month, along with 8000 trainees currently receiving training. The Bangladesh Skills for Employment and Productivity (B-SEP) Project that started from January 2014 to continue till December 2018, aimed to improve the environment for industry skills development to enable increased employability of young and adult job seekers.

Health (public and private; services and education)

A healthy population is a prerequisite and the result of a country's constant growth, reduced poverty and improved standard of life. In order for education to have its fullest impact on human resource and create a productive workforce, the population of a country needs to possess adequate health and nutrition. Due to the deeply engraved bi-directional link between health and poverty has positioned this issue at the apex of government's priority under two components: a. improves health services and b. strengthen health systems.

The government has split Ministry of Health and Family Welfare into two divisions, namely, Health Services Division, and Medical Education and Family Welfare Division, to ensure better governance in the health sector through effective policy formulation and implementation. Health Services Division is responsible for ensuring affordable and quality health care services for all by improving the health, population and nutrition sectors, while Medical Education and Family Welfare Division is responsible for building a healthy and effective workforce by ensuring quality health education through an improved overall health sector and an affordable, quality family planning services for all.

The government has set targets and strategies for each of these components and their sub sectors (public and private). MOHFW, LGD/MOLGRD&C, DPs, NGOs, private sector and other stakeholders hold the responsibility to facilitate the relevant health services and administer the health systems.

The Government has set certain objectives and targets towards achieving the 7thFYP targets for health sector which include the following:

- To ensure access and utilization of HNP services for every citizen of the country, with emphasis on elderly, women, children, poor, disadvantaged and those living in difficult areas;
- To reduce total fertility rate;
- To ensure adolescent and reproductive health care;
- To strengthen community support and involvement to obtain better results in implementation of programmes;
- To improve nutritional status of children and women;
- To take effective measures to promote alternative medicines and to improve the quality of care;
- To meet challenges of emerging, re-emerging and non-communicable diseases, health hazards due to climate change and emergency response to catastrophe;
- To enhance national capacity for pre-service education (SBA/nursing, Paramedics, midwifery), provide in-service training and better management of Human Resources;
- To improve the quality of hospitals and maternity services and to make these accessible especially to the women, children and poor.

Progress with achievement of the 7th FYP targets

Bangladesh experienced improvement in many of the desired indicators. The infrastructure of health system is still a challenge for Bangladesh, despite the growth in performance with the health indicators. For an instance, almost every one out of two births was determined to be attended by medically trained provider. Indicators such as infant mortality rate, under-five mortality rate, total fertility rate and vaccination rate saw success in the first half of the plan period, which concentrated vehemently on neonatal and child health care. Life expectancy rate is also on the path to achieving the target set for 2020 but issues like contraceptive prevalence rate still require further attention and new approaches to ensure the sustained achievements in this sector. A glaring concern remains with the rise in maternal mortality rate, reflecting on the need of an extensive strategy and its proper implementation on the issue of maternal health care.

Table 6. 3: Current Status of the Indicators for the Health, Population and Nutrition Sector

Performance Indicators	Baseline Status	Target (2017)	Target (2020)	Current Status
Proportion of births attended by medically trained provider (%)	42.1 (2014)	54	65	50% (NIPORT-BMMS: 2016)
Proportion of births in health facilities	23 (2010)	-	-	47 (NIPORT-BMMS: 2016)
Proportion of births in health facilities by wealth quintiles (ratio of lowest and highest quintiles)	1:4.6 (2014)	1:4	01:03.5	-
Under-five Mortality Rate (per 1,000 live births)	46 (2014)	41.5	37	34.2 (WDI, 2016)
Infant Mortality Rate (per 1,000 live births)	38 (2014)	29	20	28.0 (SVRS, 2016)
Maternal Mortality Ratio (per 100,000 live births)	170 (2013)	134	105	176 (WB, 2016), 196 (BMMS, 2016)
Total Fertility Rate (children per woman)	2.3 (2014)	2.15	2.0	2.10 (MoF, 2015)
Life expectancy at birth, total (years)	70.1 (SVRS 2013)	70.6	72	71.6 (SVRS, 2016)
Proportion of stunting among under-five children (%)	36.1 (2014)	30.1	25	36.1 (DGHS, 2014)
Proportion of children under 6 months who are exclusively breastfed (%)	55.3 (2014)	59.5	65	55.3 (DGHS, 2014)
Percentage of unmet need for family planning	12% (2014)	11.2	10%	12% (DGHS, 2014)
Contraceptive Prevalence Rate (%)	62.4 (2014)	68	75	62.3 (SVRS, 2016)
HIV prevalence among population/ Maintain low prevalence of HIV	<1% (SS 2011)	<1%	<1%	<1% (DGHS, 2016)
Proportion of children fully vaccinated by 12 months (%)	78 (BDHS 2014)	87	95	Full vaccination 82.3% (EPI-CES, 2016)

Source: Bangladesh Maternal Mortality and Health Care Survey 2016 (NIPORT- BMMS: 2016), Bangladesh Sample Vital Statistics (SVRS) 2016, World Development Index (WDI) 2016, Ministry of Finance (MoF), Health Bulletin 2017: Directorate General of Health Services (DGHS), Expanded Programme on Immunization- Coverage Evaluation Survey 2016 (EPI-CES)

Bangladesh has also achieved exclusive commendable success in terms of containment of diseases such as, Tuberculosis, Malaria and HIV, with TB incidence of 287 per 10,000 population and malaria incidence of 4.3 per 1000 population, based on latest available data. HIV is yet to possess an effective threat to the population here, but requires awareness and steady awareness regardless.

Upazila wise physician distribution has a vacancy rate of 52 percent, with up to a staggering 71 percent vacancy in Barisal. According to Facility Registry of DGHS the number of total facilities was 23,246, including primary, secondary and tertiary health care along with daycare facilities. The availability of institutional health care to attend the vast population remains a challenge, as the number of registered physicians per 10,000 population remains at one of the world's lowest at 5.34 and the number of registered nurses per 10,000 population was at an abysmal 2.996 in 2017. Here a total of 1,169 people are pitted against each hospital bed. Health worker (physician, nurse, health technologist) density per 10,000 population and distribution stands at an unfortunate 7.4 according to WHO data for 2016. Health sector in Bangladesh still requires a higher degree of focused effort to achieve the targets set for 2020. With an undersized public allocation of 0.92 percent of GDP it would be a tremendous task to pull off the ambitious prescription of 7thFYP.

Implementation of the Health Strategy, Policies and Programmes

The Government successfully implemented the 3rd Health, Nutrition and Population (HNP) sector programme with the title “Health, Population and Nutrition Sector Development Program (HPNSDP)” over the duration of 2011- 2016. The priority of the program was to stimulate demand and improve access to and utilization of Health, Population and Nutrition (HPN) services in order to reduce morbidity and mortality; reduce population growth rate and improve nutritional status, especially of women and children. The program achievement scenario shows that based on Operational Plan –level indicators, 100 out of the total of 158 indicators (63%) were fully achieved by FY 2015-16. Forty one indicators (26%) were partially achieved and 17 indicators (11%) were found not achieved, against the targets set for mid-2016. Among these 83 indicators concentrated on improving health services (IHS) and 75 worked with strengthening health systems (SHS). Out of the Tk. 3,732.4 Crore fund that was released, Tk. 3,404.7 Crore was spent for the implementation of HPNSDP in FY2015-16. As of mid-June 2016, the actual financing position by GOB and other development partners stood at Tk. 5873.90 Crore and Tk. 10137.60 Crore respectively with a utilization rate of 85 percent.

The 4th HNP programme has taken off for the next five years from July 2016 to June 2021. It focuses on the need to expand the existing services to groups who are not availing it currently, including adolescents, poor and rural marginal population. It recognizes the need for stabilizing population growth and attend to demographic and health challenges. MOHFW had taken up the responsibility to prepare Strategic Investment Plan (SIP) in connection with the development of a Programme Implementation Plan (PIP) for the 4th Sector Programme. The projection of development resource envelope under a moderate scenario for HNP SIP (2016-21) is Tk. 108,782 Crore from MoH&FW.

As a part of the social security scheme the Ministry of Health and Family Welfare undertook some crucial projects that effectively resonated with the objectives concerning the health and nutrition sector. Demand Side Financing of Maternal Voucher Scheme allotted TK 6072 Lakh over 2015-2016- and 2016-2017-time phase to increase the utilization of health services dedicated to maternal health in Bangladesh that would facilitate the improvement of the state of maternal and neonatal health. The programme supported using quality maternal health services provided by trained and professional agents. Maternal, child, reproductive and adolescent health plan was designed by allocating TK 10,908 Lakh over 2015-2016- and 2016-2017-time phase, alongside TK 297 Lakh assigned to Family planning field services delivery program.

The operation plan Health Education and Promotion (HEP) agenda was implemented under HPNSDP (2011-2016) with the aim of spreading and developing awareness of the mass people, with attention to the poor and vulnerable. The plan looked to establish health consciousness by refining the knowledge, approach and practices maintained by the people so that they can attain efficient and quality health care. Bureau of Health Education (BHE) trained 1,700 personnel to improve upon the capacity and logistic support system. Another project taken under the HEP- OP was the construction of 185 model villages. According to the Annual Program Implementation Report 2016 (APIR), 500,000 Information, Education and Communication (IEC) materials

have been produced and distributed. The IEC- OP depicted the social consequences of early marriage and its prevention, birth and family planning, danger signs in pregnancy, gender issues and other concerns through print and digital media, campaigns and other activities to garner attention towards issues of significance.

Population (growth trends by districts and education by districts)

As Bangladesh has entered the phase of rising demographic dividend, it has an opportunity to transform its vast population to now become an asset to fuel the course of economic growth. This is the appropriate time to invest on the increasing working age human resource. However, keeping the population growth under check and spreading awareness on this matter remains at the top of government priorities.

The Directorate General of Family Planning (DGFP) has ongoing projects on Family Planning Field Services Delivery; Clinical Contraception Services Delivery; Maternal, Child, Reproductive and Adolescent Health; Planning, Monitoring and Evaluation of Family Planning; Supplying Information, Education and Communication (IEC) on family planning and FP Procurement, Storage and Supplies Management. Alongside DGFP, Ministry of Health and Family Welfare also undertook initiatives on population control and adolescent sexual and reproductive health. The Management Information System wing of the DGFP also contributed to monitoring and evaluation of FP system to recognize the disparities and lacking that need to be covered.

The strategy and target for population sub- sector took into consideration the following aspects:

1. Reduce total fertility rate (TFR) through increased continual use of contraception and availability of different family planning service supplies.
2. Create social awareness against early marriage and child birth, empower women to take decisions on family planning and promote the utilities of improved family planning services.
3. With MoHFW as the lead Ministry, create awareness among all relevant ministries regarding their roles in population management.

Progress with achievement of the 7th FYP targets

Bangladesh has achieved commendable success in reducing its population growth through adopting effective means of population control over the last two decades, ending with an annual growth rate of 1.1% as of 2016 (WB). But, with a total population of over 160 million (as of 2016) and a density of 1,090 per sq. km, this regime of control needs to continue and that too rigorously. The overall total fertility rate stood at 2.10, with rural TFR at 2.38 and urban TFR at 1.68. This reflects on the requirement for additional concentration on the rural population for effectively reaching the 2020 target. At 2016, Contraceptive prevalence rate stands at 62.3% and Contraceptive prevalence rate with modern methods are yet to catch up with 58.4% of eligible population availing these methods. Unmet need for family planning remains at 12.0% as of 2014. Bangladesh is undoubtedly on the right track, but to achieve the target of 2020 the government needs to come up with newer means of promoting and supplying family planning services to reach the more remote population of this country.

Implementation of the Population Strategy, Policies and Programmes

The National Strategy for Adolescent Health 2017-2030 prepared by the Maternal and Child Health Services Unit of DGFP also takes into consideration the significant concern for Bangladesh in high levels of adolescent fertility. With the highest adolescent fertility rate in South Asia, where Contraceptive Prevalence Rate (CPR) among married adolescents is 51 percent and the unmet need for family planning is 17 percent, it is imperative to ensure the use of interventions to reduce adolescent fertility. The Mayer Hashi project was implemented with the aim of improving the uptake of long- acting and permanent methods in the family planning programme.

Some particular operational plans of the HPNSDP were dedicated to promote and encourage the use of family planning services, to conduct trainings and orientation programs for doctors, nurses and other FP service providers. Under one such scheme to shift to effective long acting and permanent methods (LAPMs), 93,963 tubectomies, 69,068 NSVs, 233,557 IUDs, and 353,239 Implant services were provided. Procurement of contraceptives, medicine, MSRs were finalized, along with funds placed to Bangladesh Association for VSterilization (BAVS) and Marie Stopes Clinic Society, Bangladesh to provide support for LAPM services. An orientation program was completed by the FP field service delivery plan for newlywed couples in 23 upazilas, while the World Population Day was organized by the Information, Education and Communication (IEC) OP under the HPNSDP scheme. Percentage of eligible couples at national level who accepted injectables was 20.35% as of the Program Implementation Report 2016 of Health, Population and Nutrition Sector Development Program. Percentage of eligible couples at national level who accepted temporary methods stood at 55.70%.

Nutrition (by age groups and gender)

A crucial component to health is the nutrition status and Bangladesh remains high on malnutrition and undernourishment, despite the progress made in comparison to past position.

The government has emphasized greatly on the strategy of ensuring adequate supply of nutrition to eradicate the high rate of malnutrition among children and women. Other strategies and targets cover the following issues:

1. Focus on gender sensitive and children centered nutrition programs and awareness.
2. Incorporate the various aspects of nutrition, sanitation and hygiene in education curriculums and social awareness campaigns.
3. Highlight child marriage, early pregnancy and childbearing, and their harmful implications for nutrition.
4. Facilitate adequate food safety regulatory framework to ensure access to proper dietary and nutritious food supply.
5. Strengthen nutrition surveillance systems for environmental crisis or disasters.

Progress with achievement of the 7thFYP targets

The nutrition status in Bangladesh portrays a combination of both satisfaction and inadequacy. Nutrition, alongside most other health indicators, is heavily affected by the levels of poverty. With an improvement in the poverty rates in recent years, health and nutrition has also experienced a positive shift. However, according to BDHS, as of 2014, 36% of the under-five children still suffered from stunting, with 12% being severely stunted. The prevalence of wasting among the under-five children was 14% and the prevalence of underweight children was 33%. Vitamin A coverage was deemed to be 86.1% among infants, 91.3% among children and 37.8% among postpartum women. About 85% of the population was found to have access to standard nutritional food and correspondingly prevalence of undernourishment stood at 16.4%. Proportion of children fully vaccinated by 12 months stood at 82.3% as of 2016. The need for policies and efficient implementation directed towards the lower wealth quintiles is profound as much disparity remains in the nutrition status among different wealth segments of the population.

Implementation of the Nutrition Strategy, Policies and Programmes

Under the supervision of 11-line ministries, the national strategies for nutrition were outlined in the National Food Policy Plan of Action – NFP PoA (2008-2015) and the National Food Policy (2006). The Institute of Public Health and Nutrition (IPHN) of DGHS has been assigned as the institutional home for nutrition. Nutrition

Programme of the MOHFW was established within the DGHS and DGFP through the operational plans from the HPSNDP. The objectives for the National Food Policy can be listed as, adequate and stable supply of safe and nutritious food; Increased purchasing power and access to food of the people and Adequate nutrition for all individuals, especially women and children.

The NFP goal considered undernourishment, child underweight and child stunting as indicators to measure the implementation progress towards attaining targeted coverage. Country Investment Plan 2015 totals 12.7 billion USD, of which 8.8 billion is already financed by GoB (64%) and the DPs (36%) and 3.9 billion USD represents the financial gap. The policy was segmented into three components, namely Food Access, Availability and Utilization. As of June 2014, these components channeled respectively 49%, 46% and 5% of financed budget. The food availability phase included programs concerned with Sustainable and diversified agriculture and Fisheries, livestock and aquaculture Development. The access aspect dealt with Enhanced Public Food Management Systems and Effective safety nets, while the utilization prospect was based on Community based nutrition and Food Safety and Quality Improvement. Vaccination campaigns, Micronutrient supplements, promoting nutritional food practices, with particular focus on awareness building were also among the initiatives captured through these projects.

Institute of Public Health Nutrition designed materials for Social and Behavioral Change Communications program. Several other projects ran its courses under the operational plans within the HPNSDP. Among them the National Nutrition Services (NNS) established 200 Severe Acute Malnutrition (SAM) management unit at DHs and UHCs, according to the Program Implementation Report. Total 592 BFHI (Baby-friendly Hospitals Initiative) units were established at various health facilities at district and upazila levels. Total 38,541 field level workers trained in essential nutrition services delivery. The National Vitamin-A Plus campaign 2015 was launched. The coverage of the campaign was 99% in 6-11 month children and 100% in 12-59 month children. A total of 13,500 community clinics and 39,500 Union Health and Family Welfare Centers have been launched to make health care and nutrition services more inclusive.

The national Food Security and Nutritional Surveillance Project (FSNSP) was implemented from July 2008 - June 2015, aim of which was to track nationally representative estimates for food security and nutrition in Bangladesh. A special study “Primary School Feeding Programme” was conducted under this project. Nutrition Policy 2015, and National Advocacy and Communication Strategy for Nutrition, and Nutrition in Emergency Guideline were approved in moving forward to attaining the targets for 2020. Bangladesh National Nutrition Council (BNNC) was revitalized in 2015, and the Second National Plan of Action for Nutrition (NPAN2) for 2016-2025 has been formulated.

Progress with Overseas Employment

In line with 7th FYP, a lot of programmes are being implemented by Ministry of Expatriates’ Welfare and Overseas Employment (MoEWOE) to achieve the SDG goal of Regular, Orderly and Safe Migration. Table 6.4 illustrates the performance indicators for the overseas employment where it shows that the skilled migrant workers has increased during the 7th FYP from 2016 to 2018. On the other hand, female migration has slowed down during the 7th FYP.

Table 6. 4: Current Status of the Indicators for overseas migration

Data Source	Performance Indicator	Base Year	7 FYP Year		
			2016	2017	2018
	Percentage of Overseas migration by type	2015			
BMET	a) Skilled migrant	38.56	42.08	43.07	43.25

Data Source	Performance Indicator	Base Year	7 FYP Year		
			2016	2017	2018
	Percentage of Overseas migration by type	2015	2016	2017	2018
	b) Semi-skilled migrant	16.39	15.83	15.43	16.04
	c) Female migrant (% of total migrant)	18.66	15.58	12.09	13.85

The status of the ministry may kindly be looked at in the following:

- Strengthening legal and policy framework of the Ministry:** To ensure safe, orderly, regular and responsible migration, Bangladesh has developed ‘Global Compact for Migration (GCM)’ in 2018. The Government of Bangladesh has strengthened the legal and policy framework of overseas employment. The MoEWOE has adopted the Expatriates’ Welfare and Overseas Employment Policy (EWOEP) in 2016, Employment and Migrants’ Management Rule in 2017 and the ‘Wage Earners’ Welfare Board Act in 2018’. The MoEWOE is now finalizing the ‘Action Plan’ to implement the EWOEP 2016. MoEWOE has opened 29 Labour Wings in the Bangladesh Missions abroad. Opening of some new missions are there under consideration. Market Research is being conducted.
- Protection and welfare services for Migrant Workers:** Along with strengthening country’s legal and policy framework, the Government of Bangladesh has enhanced its protection and welfare services for migrant workers. The MoEWOE is providing mandatory pre-departure orientation training to every outbound migrant worker on destination country’s law, rules, norms, language, weather, culture, food, environment, rights and responsibilities. It has established Help-Desk at every international airport in Bangladesh to provide assistance to migrant workers. The Wage Earners Welfare Board (WEWB) is strengthening assistance to repatriate the disable and stranded migrant workers. ‘Probash Bondhu Call Center’ has been installed to answer general queries for migrant workers.
- Strict Monitoring of Recruitment Process:** The Government of Bangladesh is putting its relentless efforts on strengthening fair recruitment for overseas migration. Decentralization of recruitment services has been done through the District Employment Manpower Offices (DEMOs) including passport issuance, finger prints, and pre-departure briefing. Recruitment process has been digitized by introducing (1) Online registration, (2) Collection of Income tax and Welfare fee, (3) Online visa checking and (4) Online complaining system. Several mobile apps on safe migration, rules and regulation for the aspirant migrant workers have been launched and ISO 2015 certification has been acquired for Bureau of Manpower, Employment and Training (BMET) and Bangladesh Overseas Employment and Services Limited (BOESL).
- Skill Development:** The Ministry has established 64 Technical Training Centers (TTCs) and 6 Institutes of Marine Technology (IMTs) to impart skill training on different trades and languages. Forty TTCs are now under construction in forty Upazilas and one IMT is being established under a development project. Another project has been taken up to establish 50 TTCs in 50 Upazilas in Bangladesh. The Ministry has now a pool of trained manpower to meet the demand of domestic and international market.
- Enhancing Labour Migration Diplomacy:** The MoEWOE has strengthened its negotiation capacity of labour migration. Development partners are also supporting the MoEWOE to ensure the implementation of the International Labour Standards including Standard Job Contracts and protection for migrant workers. Ministry, as a country of origin, is working bilaterally and multilaterally with different countries of destination and the multilateral forums like Abu Dhabi Dialogue, Colombo Process, CIOP, IOM, ILO and other international organizations.

Progress with Cross-Cutting Issues

The various aspects of human resource development and their interconnected nature, results in concern towards the institutional obstacles that exist within the relevant agencies. The delays in implementation and financial gaps experienced in efficient allocation of resources have much association with the inadequacy in capacity of the regulatory framework within the governance structure of the central ministries. At present, Bangladesh has moved towards decentralization of the administrative procedures of human resource development sector, with much attention provided towards the local agents. Yet, as majority of the authority and control remains with the central agencies, there remains a disparity in the requirements and output of a policy. This also contributes to unaccountability from the service providers. The Seventh Five year plan required a significant shift in the budget allocations in order to achieve its objective for this sector. Government of Bangladesh has allocated 6.2% of total ADP for Health sector in FY2017-18, which is higher than that of 4.4% of FY2016-17. In terms of share in GDP the amount is still astoundingly low at 0.92% though it has marginally improved from FY 2016-17. The total allocation for education has increased in terms of GDP from the previous year but still remains inadequate at 2.94%. As the national budget works as the prime instrument for attaining the targets of 7thFYP, it is imperative that it reflects the requirements accordingly.

Future Prospects

Considering the progress Bangladesh has achieved in the human resource development sector in the past few years, with policies designated to address particular aspects of this process, it can be interjected that in most cases the country is on track to reach the objectives set by the 7thFYP. Primary education enrolments are now at an all-time high, with new initiatives to engage further participation at advanced stages of academics. Several of the health indicators are on recovery, such as the maternal and neonatal mortality rate. Yet, certain indicators still need to recover a large gap between the desired outcome and the existing situation. Health education, nutrition programs, family planning, child and maternal health still require additional focus to reach a satisfactory standard. Similarly, the quality and availability of education, particularly in the secondary and tertiary level still has to progress a long way to reach the desired benchmark. The stipend and scholarship programs have been much effective in the primary level. The government can associate similar modified initiatives, along with incorporation of ICT in education, to attain better results.

The Implementation still relies on administrative reforms and more responsible effort from the government bodies, including the ministries, directorates and other institutes. Infrastructural improvement remains a much sought intervention to accelerate the supply of required services. Training sessions need to be arranged for a more competent workforce. These issues again trace back to the requirement of a significant public and budgetary allocation to ensure sustained advancement towards accomplishing majority of the goals of 7th FYP.

Chapter Seven

Progress with Water, Sanitation and Hygiene

Introduction

Safe drinking water and Sanitation plays an essential role in the protection of public health. The Department of Public Health Engineering and Water Supply & Sewerage Authority (WASA) has been playing an important role in the management of drinking water and sanitation. Significant progress has been achieved to bring all the people of the country under the safe water and sanitation facilities. As a result, Bangladesh has occupied the top position in South Asia in terms of safe drinking water and sanitation coverage. Rapid urbanization has increased the demand for municipal water supply and sanitation. In order to meet this demand, relevant government offices are implementing construction of water and sanitation infrastructure projects in municipalities. Besides, government is taking necessary action to keep safe water supply and sanitation in emergency situations due to flood, cyclone, pestilence etc. The following is a list of policies that govern the activities of the Department of Public Health Engineering.

Table 7. 1: List of policies of the Department of Public Health Engineering

Sl. No.	Content	Name of Policy
1	a. Water Supply Strategy	National Policy for Safe Water Supply and Sanitation 1998
	b. Urban Water Supply	
2	Arsenic Mitigation	National Policy for Arsenic Mitigation 2004
3	Sanitation Strategy	National Sanitation Strategy 2005
	a. Rural Sanitation	
	b. Urban Sanitation	
4	Water Supply and Sanitation Sector	Sector Development Plan (FY2011-2025) for Water and Sanitation Sector in Bangladesh
5	Hygiene	National Hygiene Strategy

Source: DPHE

Goals and Objectives of the Department of Public Health Engineering:

- i. Provide basic facilities for safe water and sanitation for all citizens.
- ii. Bringing changes in habitual behavior of people about safe drinking water and sanitation.

Current purpose according to the government's commitment:

- i. Bringing every house under a healthy sanitation system
- ii. Place safe drinking water for all people of the country

Water and sanitation

Safe Water Supply

The present democratic government has given special importance to water supply and sanitation. Formulation of “National Policy for Safe Water Supply and Sanitation” in 1998 reflected the Government’s sincere efforts for development of this sector. The Government has made “Sector Development Plan in National Sanitation Strategy and Water Supply 2011-2025” in this period. The United Nations General Assembly recognized water and sanitation as the fundamental right of the people on July 28, 2010. Water supply and sanitation is considered with special emphasis in the seventh five-year plan. The first national sanitation conference, titled “BANGLASAN” was held on 2011 to speed up the Bangladesh sanitation movement.

According to the WHO (2016), water supply coverage in Bangladesh is around 97 percent, but 83.8 percent of the population in the country has access to safe drinking water (SVRS, 2017). To improve the supply of safe drinking water to semi-urban and rural communities, the Country Investment Plan (CIP) prioritize the following programs:

- Development of sewage treatment plants in Tongi, Gazipur and Narayanganj
- Design and implementation of sewage collection and treatment in towns and paurashavas
- Maintenance of existing sewerage systems in Dhaka and Chattogram
- Rehabilitation of existing sewers in urban areas
- Design, construction and rehabilitation of storm-water drainage canals in urban areas, considering climate change and variability
- Installation of pumping stations for storm-water drainage
- Establishment of faecal sludge management infrastructure, including faecal sludge treatment plants in all cities and secondary towns and pourashavas served by on-site systems (e.g. septic tank systems and pit latrines)
- Development of sewerage master plan for all main cities in Bangladesh

Public Health Engineering Department has played an important role during floods in Haor, cyclone “Mora”, hill collapse in Chattogram Hill Tracts, and floods in greater Sylhet and Cox’s Bazar in June 2017. Notable activities include the distribution of water purification tablets (WPT) and hygiene kits and setting up of hand-held tube wells. Under the supervision of the GoB, 648 deep tube wells, 278 deep tara, 68 ring wells and 5 shallow tube-wells, i.e. total of 1000 water sources have been arranged in the flood affected areas and Haor areas.

A total of 4,359 water samples were tested through the Central Water Laboratory and Zonal Laboratory in 2016-17. Under the PEDP-2 project, 20% tube wells of 61 thousand primary schools of the entire Bangladesh have been tested by the Department of Public Health Engineering. Its data base has also been created. In 2016-17, various training programs of newly joined and other working manpower were adopted.

Rural Water Supply

The rural water supply system of Bangladesh is based on the depth of ground water. In the first half of the nineties, safe water supply activities were hampered due to the presence of arsenic in ground water in the different regions of the country. Safe water supply coverage decreased from 97% to 78% due to the presence of arsenic in ground water in 2001.

During the current regime; around 2,14,150 arsenic-free safe water sources have been introduced by taking various projects for the development of rural water supply system. In 7th FYP period, while much progress has been made in moving people away from using contaminated groundwater, about 26 percent of drinking water sources across the nation contain naturally-occurring levels of arsenic above the threshold that the World Health Organization defines as dangerous. The divisions that are most affected by the arsenic crisis include Chattogram and Sylhet.

During the 2016-17 fiscal year, 34963 water sources have been set up under various ongoing projects and 37 villages have started supplying water through pipelines. During the current government, 29 development projects and 44 programs have been approved. After completion of sanctioned projects, water supply coverage in rural areas will increase from 87% to 93%.

Urban Water Supply

At present, water supply system is being implemented in 137 municipalities of the country. Two city corporations and 122 municipalities are reformed for the expansion of water supply and sanitation system. A master plan is being implemented for the improvement of water supply and sanitation system in 160 new municipalities which will be completed soon.

Presently the coverage of water supply in the municipal area is 87%. During the year 2016-17, 85 tube wells were set up /replaced, 690.90 kilometers of transmission and distribution pipeline renovated, 4 (partial) high reservoirs and 24 water pumps has been established. On completion of all such projects, 80% of the population in the municipal area under the pipeline will be covered by the water supply and safe sanitation.

Sanitation

Through the establishment of the Sanitation Secretariat, the government and private partnerships have been able to bring about greater mobility through the last 2/3 years. With the assistance of the development partner organization and NGOs in the government's initiative, the government organized "SACOSAN-VI" in 2016. The theme of the "SACOSAN-VI" was "Better Sanitation Better Life". A Declaration was formulated through SACOSAN-VI to ensure that the aims and objectives of SACOSAN will be implemented through SDGs.

GoB has established 5 lakh 82 thousand low cost sanitary latrine and 3,427 community latrine which increases the number of family who are using sanitary latrine from 86% to 97%. Although most people have access to a toilet, 40 percent of the population use shared, rudimentary sanitation facilities and only 28 percent have a hand washing station equipped with soap and water (WB, 2017). Fecal contamination still infects water bodies. The World Bank's analysis shows that WASH hardships are by no means shared evenly among groups in society. Nationally, the WASH-related enteric disease burden for the poorest wealth quintile is about three times greater than the burden for the richest quintile. And of the five million people who still openly defecate, the vast majority of them are from the poorest 40% of the population. But the diagnostic also shows some striking facts. For instance, while the international community has focused on rural WASH in the past decade, slum dwellers in large cities are the worst affected.

About 81638 small-scale sanitary latrines were built in the year 2016-17 through various projects. National Sanitation Month was celebrated nationwide in October 2016. In 2016-17 financial year, 664 public toilets / community latrines, 900 shared latrines and 11 three storied toilets have been constructed.

Overview of hygiene promotion

Currently the government of Bangladesh is concern about the social hygiene promotion where the government monitors the following activities:

Major Activities

- Expansion and development of safe drinking water and sanitation facilities in the rural and urban areas of the whole country
- Implementation and execution of safe drinking water supply and sanitation activities with assistance of Union Parishad in rural areas.
- Construction, development, expansion and technical support of the city's water supply and sanitation infrastructure with the help of City Corporation.
- Provide technical assistance to local organizations for the development and maintenance of water supply and sanitation systems.

- Provide emergency water supply and sanitation facilities during crisis (flood, cyclone, etc.)
- Developing skilled manpower for water supply and sanitation sector through adoption of human resources development activities.
- Testing and monitoring of the water quality of the whole country
- Finding safe water sources
- Encouraging the public about the use of environmental sanitation, safe water and sanitary latrines.
- Arrangement of safe drinking water by inventing new technologies in arsenic affected areas
- Sustainable technology exploration, research and development at low cost for the expansion of water supply and environmental sanitation system.
- Enrichment and modernization of data management of the water supply and sanitation sectors through setting up of info centers.
- Provide training, technical advice and information to local government, private entrepreneurs, government agencies and CBOs (Community Based Organizations) for water supply and sanitation facilities.
- Take necessary preventive action to ensure safe water. For this purpose, implement the water safety plan (WSP) in all the water supply system of the country.

Cross cutting issues with other sectors

Poverty Reduction

Distribution of free safe water sources and sanitary latrines increased the chance of access to government services. 99% of households have access to toilets nowadays. As a result, their health and nutrition progress and efficiency increased. Besides, public awareness of poor people has increased due to providing health education for safe drinking water and sanitation. This reduces the incidence of disease disorder and reduces the medical costs, which will play a direct role in poverty alleviation.

Due to the quality of water, it is possible to provide safe drinking water to poor people or to provide drinking water as per Bangladesh Standard. This will increase the performance and their economic activities, along with the improvement of the health of poor people. Besides, reduction of public health costs will save the government's economic sector, which will play an important role in poverty alleviation.

Women Empowerment

Increasing safe drinking water and sanitation facilities has improved the health and nutrition of women and children, and this has increased their performance. The increase in safe water supply coverage reduces the amount of time women spend on collecting water from remote sources. Providing training and maintenance of water sources and caretaker elections has helped to maintain government assets of nearly 2 lakh women which has increased their dignity in her family and society.

Human Resource Development

There is no alternative to training skilled human resources in the way the use of technology is increasing in the current competitive world. Different types of training are given to public/private level officers/employees to create skilled manpower for keeping pace with the era. The training programs are implemented at the central and regional levels. The training department of the government division is supervising these training centers. Various training programs are now being undertaken by the newly joined manpower and other working manpower. Trainings are mainly: WHO, UNICEF, Policy Support unit under local government department,

and Public health & Engineering; organized by various ongoing projects. The main contents of these training programs are basically technical, financial and administrative. Besides, it also includes office management, water & sanitation, water safety plan and technological option on Sanitation.

Health Service

Due to the timely action of the present government in the water supply and sanitation sector, it has been possible to reduce the incidence of water borne diseases including decreasing child mortality.

However, households face many challenges around toilets and waste management. Most of these toilets in Bangladesh have a septic tank, but, due to a lack of proper design and installation, no collection and treatment facilities, and facilities without a soak or drainage pit – almost all fecal sludge ends up in surrounding water bodies, which could result in serious health threats to people.

Ongoing projects in 2016-17 fiscal year by the Department of Public Health Engineering

Table 7. 2: List of ongoing projects in 2016-17 fiscal year by the Department of Public Health Engineering

Sl No.	Name of the Project	Duration	Project Costs (Lakh taka)
1	Establishment of Human Capital Development Center for Water Supply and Sanitation Project (1st revised approved)	Jul/2007 – Jun/2017	3647.00
2	Town Water Supply in 37 Districts (1st revised approved)	Dec/2010 – Jun/2019	89900.00
3	Water Supply in Tongi District	Jul/2012 – Jun/2017	10270.00
4	Bangladesh Rural Water Supply and Sanitation Project	Jul/2012 – Dec/2017	38412.19
5	Project on Water Supply through Pipeline and Environmental Sanitation in Pourosova of Sadar Upazila and Growth Center.	Jul/2012 – Jun/2018	31556.27
6	Ground Water Investigation and Development of Deep Ground Water Source in Urban and Rural Areas in Bangladesh	Jul/2013 – Jun/2019	10352.93
7	Water Supply and Environmental Sanitation (2nd Phase) Project in 40 Pourosova and Growth Center.	Jan/2014 – Jun/2017	18418.74
8	Water Supply, Sanitation and Health Education Project	Jan/2015 – Jun/2018	41388.73
9	Project on Water Supply in Rural Areas	Jan/2016 – Jun/2019	79998.03
10	National Sanitation Project (3rd Phase)	Jan/2016 – Jun/2019	14995.52
11	Reform/Restructuring of Pond/Lake/Water Bodies for Water Conservation and Safe Water Supply in District Council.	Sep/2016 – Jun/2019	37450.71
12	For Preparation of Feasibility Study and Development Project on Water Supply and Sanitation in Cox's Bazar City,	Jan/2017 – Jun/2018	197.80
13	Project on Safe Water Supply in Upazilas of Bandarban District	Jan/2017 – Dec/2019	4503.99

Sl No.	Name of the Project	Duration	Project Costs (Lakh taka)
14	The Overall Management of Water Supply Efficiency Development Project	Nov/2014 – Oct/2018	3406.88
15	Development of Water Supply and Environmental Sanitation in Gopalganj and Bagerhat District	Jan/2017 – Jun/2019	16519.00
16	Project on Safe Water Supply in Upazilas of Rangamati District	Jan/2017 – Jun/2019	4195.00
17	Project on Safe Water Supply in Upazilas of Khagrachari district	Jan/2017 – Dec/2019	4408.00
18	Providing Safe Water Supply and Sanitation Given Special Emphasis to Former Enclaves in Lalmonirhat, Kurigram, Panchagarh and Nilphamari Districts.	Jan/2017 – Dec/2019	2874.00
19	Char development and settlement scheme - 4 (CDSP-VI) DPHE part	Jan/2011 – Dec/2018	2453.00

Source: DPHE, 2018

Chapter Eight

Progress with Energy and Infrastructure

Introduction

In the current globalized environment of international trade and investment flows, the quality of infrastructure is one of the most essential elements for a country to be competitive. Over the past three decades or so, Bangladesh has made considerable progress in increasing exports, which in turn contributed to a steady growth in GDP over such a long period. It is now generally recognized that further expansion of the export volume will critically hinge upon expanded, improved and reliable infrastructural facilities. Besides, for attracting FDI as well as mobilizing domestic private investment, quality infrastructure with uninterrupted power supplies is a key determinant. The 7th FYP outlines a detailed strategy in this respect covering all aspects of physical infrastructures including those in power, energy, and transport sectors. Policy and institutional support is placed to help leverage private and public investments as well as public-private partnership (PPP) based financing.

The World Economic Forum regularly publishes its Global Competitiveness Report (GCR) that makes use of 12 broad determinants of cross-country competitiveness. The quality of infrastructure is one of them. Despite Bangladesh's making progress in overall infrastructure quality, the country lags behind many other Asian developing economies (Table 8.1). In the 2017-18 GCR exercise, Bangladesh scores 2.92 in infrastructure and is placed at 116th among a set of 137 countries. This highlights the enormous challenge that Bangladesh must confront to promote its external competitiveness and enhance productivity in overall economic activities.

Table 8. 1: Comparison of infrastructure quality in 2017-18 among selected countries

Country	Country's overall infrastructure ranking	Overall infrastructure score	Roads	Railroads	Ports	Air transport	Electricity supply
Bangladesh	116	2.9	3.1	2.9	3.6	3.3	3.7
India	46	4.6	4.3	4.4	4.6	4.6	4.7
China	47	4.5	4.6	4.6	4.6	4.9	5
Cambodia	99	3.4	3.2	1.6	3.7	3.7	3.5
Pakistan	82	3.8	3.9	3.3	4	4	2.9
Sri Lanka	79	3.9	4.2	3.2	4.5	4.2	4
Thailand	67	4.1	4.3	2.6	4.3	5.2	5.2
Vietnam	89	3.6	3.4	3	3.7	3.8	4.3

Source: World Economic Forum, the Global Competitiveness Report 2017-2018; ranking out of 137 countries

This chapter reviews the progress made in energy and transport infrastructure under the 7th Five Year Plan. It identifies major areas where improvements have been made and areas where further progress must be achieved to achieve the targets set out in the Plan in a timely manner. An assessment of the major infrastructure projects undertaken by the government under the plan document has been undertaken. The institutional and policy support for leveraging the private investment in power and energy has also been assessed. It also reviews the financing strategy stated in the Plan and PPP initiatives for infrastructure development.

Progress with achievement of the 7th FYP targets

Notwithstanding the relative position in the cross-country competitiveness ranking, Bangladesh's overall infrastructure has improved during the first two years of 7th Plan (Table 8.2). The overall infrastructure score has marginally increased from 2.8 in 2015-16 to 2.9 in 2017-18 with the ranking improved from 124 (out of 140

countries) to 116 (out of 137 countries). The performance indices have risen for almost all the indicators related to transport and power sectors except for port infrastructure. The most visible progress has been made in electricity where the index value has increased from 2.7 in 2015-16 to 3.7 in 2017-18. Railroad infrastructure has also made notable progress from 2.5 to 2.9. Although the infrastructure quality has improved, the low score of most areas of infrastructure quality are suggestive of the challenges ahead.

Table 8. 2: Overall and sectorial infrastructure score between 2015-16 and 2017-18

Year	Country's overall infrastructure ranking	Overall infrastructure score	Roads	Railroads	Port	Air transport	Electricity
2017-18*	116	2.9	3.1	2.9	3.6	3.3	3.7
2016-17†	120	2.8	2.9	2.7	3.5	3.2	3.2
2015-16 **	124	2.8	2.9	2.5	3.6	3.2	2.7

Source: World Economic Forum, the Global Competitiveness Report 2015-16, 2016-17 and 2017-2018

* ranking out of 137 countries; † ranking out of 138 countries; ** ranking out of 140 countries

Progress of use of renewable energy

The Government of Bangladesh has emphasized on renewable energy as sustainable and efficient source of energy consumption and conservation. The 7th Plan aims to increase the share of renewable energy including hydropower to 10 percent of total electricity generation by FY 2020. The share of renewable energy was 3 percent of total generation in FY 2015, which is estimated to have slightly increased to 3.1 percent in December 2017, far below the target of 6 percent. The Sustainable and Renewable Energy Development Authority (SREDA) has been established in 2014 under the Sustainable and Renewable Energy Development Authority Act, 2012 to provide dedicated institutional support to promote renewable energy. The achievement of renewable energy is shown in Table 8.3. At the end of 2017, the total installed capacity of renewable energy stood at 472.03 MW. Among the sources of renewable energy, solar systems were the major source accounting for more than 50 percent of renewable energy, closely followed by hydro based energy (about 48 percent). On the other hand, wind energy, biogas and biomass could not be developed to account for any major shares.

Table 8. 3: Renewable Energy Contribution and Achievement, December 2017 (installed)

Technology	Off-Grid (MW)	On-Grid (MW)	Total (MW)
Solar	223.1	14.95	238.05
Wind	2	0.9	2.9
Hydro	-	230	230
Biogas to Electricity	0.68	-	0.68
Biomass to Electricity	0.4	-	0.4
Total	226.18	245.85	472.03

Source: Sustainable & Renewable Energy Development Authority (SREDA)

The last two years have seen significant progress being made in renewable energy expansion (Table 8.4). About 602 thousand solar home systems have been installed with the capacity of generating 26.5 MW power. Besides, 388 solar irrigation systems with 7.7 MW generation capacity and about 1.7 million improved cooking stoves have been installed during the same period. Notwithstanding, it appears that achieving the target of 10 percent renewable energy by FY 2020 is going to be a daunting prospect.

Table 8. 4: Progress of renewable energy under 7th Plan

Year	Solar Home System (Number & MW)	Solar Irrigation (Number & MW)	Solar Drinking Water System (Number & MW)	Biogas Plant (Number)	Improved Cooking Stoves (Number)	Improved Rice Parboiling System (Number)	Solar Street Light (Number & MW)
2017	350864 (16.49 MW)	46 (0.94 MW)	-	2260 -	391808 -	-	34010 2.31 MW
2016	251720 (10.03 MW)	342 (6.74 MW)	32 (0.15 MW)	4292 -	1.3 million -	7 -	-
2015	588883 (25.56 MW)	171 (1.84 MW)	60 (0.70 MW)	4829 -	839061 -	-	-

Source: Sustainable & Renewable Energy Development Authority (SREDA)

Power Sector

Power and energy are considered to be the driving forces of economic growth. There is high demand for electricity, gas, coal, liquid fuel, and other natural resources in agriculture, industry and service sector. For many developing countries including Bangladesh inadequate power supplies acts as a major constraint for economic activities and productivity enhancement. The government policy provides a major thrust to ensure affordable, reliable and uninterrupted supplies of power as reflected in the 7th Five Year Plan. The major objectives of the plan consist:

- Rapid growth in electricity generation and distribution. The total generation during the 7th Plan period is expected to increase by 12584 MW (excluding captive power).
- A major transformation is expected in the fuel source of power generation, away from domestic gas and imported liquid fuel to imported coal and LNG. Reliance on gas and liquid fuel will continue until FY 2018. Then, the shift to imported coal and LNG is to take place.
- Mobilizing individual power producers (IPPs) through expanding the contribution of the private sector in power generation.
- Accelerating the implementation of scalable power generation through renewable energy
- Expanding trade with India and exploring hydro-power import opportunities with Nepal and Bhutan. The 7th Plan power generation programme targets to obtain at least 600MW of electricity through power trade.
- Increasing power sector efficiency by reducing transmission and distribution losses.
- Power pricing policy will be adjusted to eliminate all operational deficit and generate a surplus.

Table 8.5 provides the performance of different indicators to achieve the strategic targets under the Plan. Overall performance is quite satisfactory.

Table 8. 5: Energy sector target and performance under 7th Plan

	Base (FY15)	FY16		FY17		FY20
		Target	Actual	Target	Actual	Target
Electricity Installed Generation Capacity (MW)	13,540	14,943	14,565	16,399	16,046 *	23,000
Access to electricity (% of households)	72%	80%	76%	85%	80%	96%
Per capita generation of electricity (kWh)	371	398	407	425	433	514
Share of renewable energy to the total electricity generation (%) (including hydro)	3	5	3.1	6	3.1	10
system loss	13.54	-	13.1	-	11.43	12

Source: *Bangladesh Economic Review, Bangladesh power Development Broad* * As per December 2017

Electricity installed capacity and generation

Table 8.5 shows that energy and power sector perform well during the last two fiscal years. The total installed generation capacity has increased from the base year capacity of 13,540 MW to 16,046 MW as of December 2017 (including renewable energy and captive power). Transmission and distribution network has also expanded along with the development of generation capacity. The highest production of electricity was 9,479 MW in FY 2017 which was 4.90 per cent higher than that in the previous year. The net electricity production stood at 57,276 million kilowatt-hours in FY 2017, which was 45,850 million kilowatt-hours in FY 2015. The total system loss of transmission and distribution in electricity is reduced to 11.43 percent in FY 2017 from the base year value of 13.54 percent. The transmission and distribution (system) loss has already fallen below the target of 12 percent set for FY 2020.

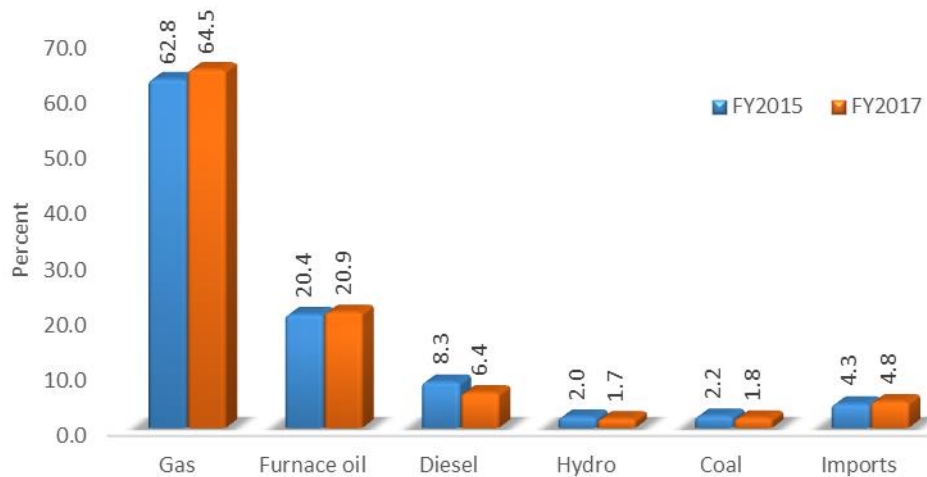
Access to electricity has increased to 80 percent in FY 2017, which was expected to reach 85 percent. Although access to electricity is below the target, an impressive 8 percentage points additional electricity coverage has been achieved during the past two years. Per capita generation of electricity is also in line with the target. The 7th Plan targets to achieve per capita generation of electricity of 514 kWh by FY 2020. Of this, the target for FY 2017 was 425 kWh, which was exceeded. Indeed, the per capita electricity generation has exceeded the targets for both FY 2016 as well as FY 2017.

Fuel mix and primary fuel supplies

Bangladesh's power sector is heavily dependent on natural gas. The 7th Plan expected a major transformation in the fuel sources of power generation. According to the plan, sources of power generation will shift from domestic natural gas to imported coal and LNG. The reliance on gas and liquid fuel will continue until FY 2018. A major shift in power generation is expected in FY 2019, when a massive amount of power generation will be based on imported coal, mainly because of coal-fired power plants. The first LNG-based power plant is expected to be commissioned in FY 2020.

In FY 2015, 62.8 percent of the installed capacity was based on gas, 20.4 percent on furnace oil, 8.3 percent on diesel. 4.3 percent was imported in FY 2015 (Figure 8.1). The share of hydro and coal-based power generation was negligible. By December 2017, the share of gas-based and furnace oil-based power generation had increased to 64.5 percent and 20.9 percent respectively. The contribution of diesel, hydro and coal decreased (to 6.4 percent, 1.7 percent and 1.8 percent respectively). The share of imported power has increased slightly to 4.8 percent.

Figure 8. 1: Installed capacity by fuel type



Source: MTBF, Bangladesh Power Development Board (Dec '17)

Rural Electrification (distribution) Expansion Plan

The government is committed to providing rural electrification and also to reducing regional disparity in power distribution and consumption through Bangladesh Rural Electrification Board (BREB). It is expected that more than 90 percent population will come under rural electrification program after the implementation of the 7th Plan. From this perspective, the plan document aims to undertake few targeted activities under BREB. Performance indicators of the activities of BREB show that it is on track to achieve the targets by FY 2020 (Table 8.6). The number of new consumer connections has exceeded the target in the first two years of implementation.

Table 8. 6: Seventh Plan Rural Electrification Distribution Plan (BREB)

Activities Targets	Progress (FY16-FY17)	Target (FY16-FY20)
Expansion/up-gradation of electric distribution line (Km)	68,166	150,000
Construction/Up-gradation of sub-station (No.)	168	480
New consumer connection (No.)	7,109,456	7,000,000
Village electrification (No.)	13,803	30,000
Switching station construction (No.)	6	40
River crossing tower construction (Set)	1	40
Replacement of Overloaded Distribution transformer (No.)	97,795	190,000
Replacement of electromechanical/digital meter by pre-paid meter (No.)	15,050	7,500,000
Rehabilitation and Intensification of Distribution System (Km)	2,700	25,000

Source: Bangladesh Rural Electrification Board (BREB), 7th Plan.

Urban Distribution Targets

The power distribution entities serving urban centres have also adopted major programs to ensure smooth distribution of power in urban areas. Table 8.7 shows that urban power distribution entities i.e. Bangladesh Power Development Board, Dhaka Power Distribution Company, Dhaka Electricity Supply Company and West Zone Power Distribution Company, perform well during the first two years of the plan period. Performance of all the indicators are satisfactory except for the establishment of call centre services.

Table 8. 7: Power Distribution Targets for urban centers for the 7th Plan (FY16-FY20)

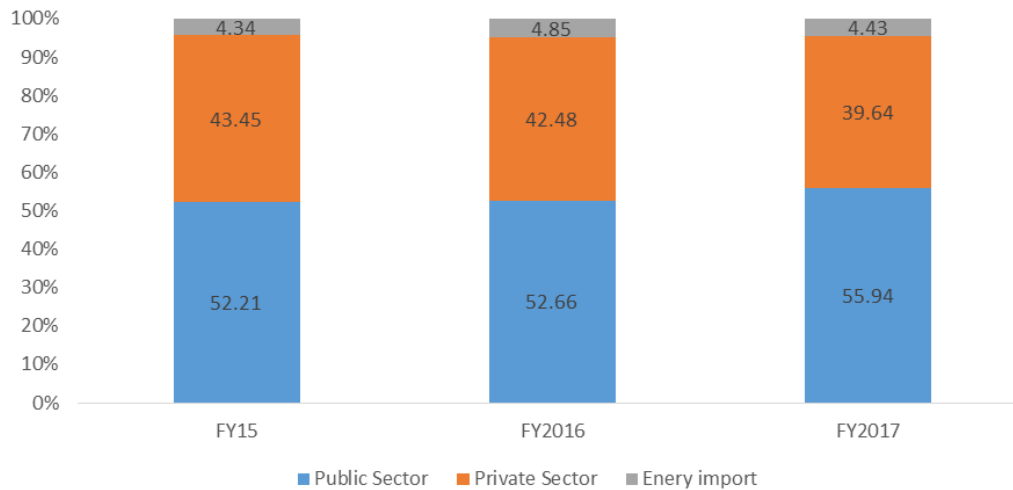
Distribution Activity	Bangladesh Power Development Board		Dhaka Power Distribution Company		Dhaka Electric Supply Company		West Zone Power Distribution Company	
	(FY16-FY17) Actual	(FY16-FY20) Target	(FY16-FY17) Actual	(FY16-FY20) Target	(FY16-FY17) Actual	(FY16-FY20) Target	(FY16-FY17) Actual	(FY16-FY20) Target
Expansion/ Construction of electric distribution line (Km)	1,489	14,200	111	1750	403.54	1050	848 (new) 668 (renovation)	2301 (new) 2317 (renovation)
Construction/ Modernization of sub-station (No.)	27	115	7	60	6 (Additional 36 nos. is under Construction)	37	0	34
New consumer connection (No.)	512,950	1,400,000	64,476	426,000	108,732	426,000	190,192	600,000
Pre-paid meter (No.)	300,000	3,900,000	31,934	1,200,000	100,192	1,050,000	68,000	1,131,000
System Loss (%)	9.27	9.8	8	9	7.24	8	9.57	9.5
Customer service (call Centre) (No.)	1	57	0	1	0	1	0	446

Source: Power Division, Ministry of Power, Energy and Mineral Resources

Mobilization of private investment in power generation

The seventh plan aims to secure a substantial increase in power generation from the private sector due to financial constraints in public sector. On the contrary, Figure 8.2 suggests that the share of private sources in total installed generation capacity has substantially decreased during the first two years of the plan period. The share of the private sector in total electricity generation (excluding imported energy) has decreased from 43.45 percent in FY 2015 to 39.64 percent in FY 2017. On the other hand, the share of public sector has increased from 52.21 percent to 55.94 percent during the same time. The reason behind is the large infrastructural investment projects of the government to meet the increasing demand and current shortage of energy. Although the share of private sector has decreased, the contribution of individual power producers (IPPs) has increased by one percentage point during FY 2015-FY 2017, increasing from 22.85 percent to 23.85 percent.

Figure 8. 2: Installed Capacity by Ownership Excluding Captive Power (MW)



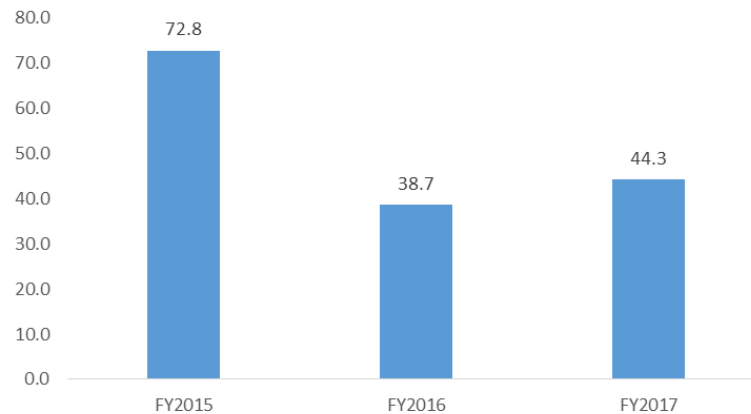
Source: Bangladesh power Development Broad, Annual report 2015-16, 2016-17

Energy pricing policies

The establishment of the Bangladesh Energy Regulatory Commission (BERC) in 2003-2004 improved power tariff setting mechanism of power and energy. Tariffs now get adjusted fairly regularly in accordance with established BERC guidelines. Even so, the gap between the average cost of electricity production and the average bulk supply tariff remains large.

However, the average bulk electricity supply cost has decreased from TK. 6.27/kWh in FY 2015 to TK. 5.7/ kWh in FY 2017, a decrease of 9.1 percent. The average cost decreases by 11.5 percent in FY 2016 followed by a 2.7 percent increase in FY 2017. The average cost per unit purchase from rental and IPPs has decreased during this time. The BERC responded by increasing bulk average tariff at a regular interval. Yet, the average cost of bulk supply is much higher than the average bulk supply tariff of electricity. The resulting financial losses have created pressures on the national budget. BPDB has received budgetary support from Government due to losses incurred between bulk supply costs and bulk supply tariffs. In FY 2015, electricity budgetary support amounted TK. 72.8 billion (Figure 8.3). The budgetary support faced a sharp decline, falling almost to half in FY 2016, but then took a slight rise in FY 2017. The fall in the average generation cost and the increase in tariff by BREC has contributed to reduction in net loss in power sector.

Figure 8. 3: power sector budgetary support (billion taka)



Source: Bangladesh power development broad, annual report 2015-16 and 2016-17

Transport Sector

Transport system plays a vital role in socio-economic development of the country. The 7th FYP places priority on the timely completion of transformational infrastructure projects. Priority was given on addressing the new strategic considerations regarding the Government's commitment to promote regional connectivity and supporting for the Trans-Asian Highway Project; addressing the anticipated Chattogram port capacity constraints; and, reforming the PPP strategy with a view to achieving stronger progress. It prioritizes the development of rail, river & road based multimodal transport infrastructure system. Strategic objectives of transport sector include the followings:

- The development of a balanced 3R (Rail, River & Road) based multimodal transport infrastructure system.
- Timely completion of critical transport links related to regional and multi-regional connectivity.
- For an investment friendly infrastructure, there needs to be an access controlled 'Backbone Network' considering strategically important national highways. Inland water transport will be combined with the existing road transport system as well as a healthy road alignment will be ensured.
- To give priority to regional transport connectivity
- Improving on transport safety standards to reduce incidence of accidents by implementing safety audit periodically.
- To promote and revitalize tourism industries, an integrated land use and transport planning for all the potential water front sites should be adopted in an urgent basis.
- Reducing maintenance frequency and thereby recurring cost of roadways, utmost attention should be given to make road infrastructure durable.
- Develop middle-income enabled quality infrastructures with high-speed mobility facilities.
- Strengthening sectorial institutional capacity with strong planning wings in key infrastructure Ministries having highly qualified professional planners. To ensure sustainable development, its present major role of approving budgetary allocation of different ministries initiated projects, which are often proposed without proper integration, should be re-casted appropriately.

The transport strategy for the seventh plan has been designed to achieve the high growth target of the economy. A number of high priority projects has been identified and are being implemented under the plan. The progress of the transport sector has been discussed in the following sections.

Roads highway and bridges

The Road Transport and Highways Division (RTHD) has a target of constructing 300 kilometers four lane roads by the end of the 7th Plan. The performance figures are reported in Table 8.8. During the first two fiscal years of implementation, a total of 280.63 kilometers of new four-lane roads has been constructed under the RTHD. Construction of other road network has already surpassed the target of 340 kilometers by FY 2020.

During FY 2016-FY 2017, total 1441.74 kilometers of roads other than the 4-lane ones have been constructed under RTHD, which is almost 4 times the target. The target for improvement/rehabilitation of roads is 2,500 kilometers by FY 2020. About 1,847 kilometers of roads have been undertaken for improvement/rehabilitation, which is almost two-thirds of the FY 2020 target. During the first two years of 7th Plan 11,733.77 meters of bridges/culverts has been constructed and another 3,243.6 meters has been reconstructed against the targets of 14,800 meters and 6,800 meters respectively, for the full period of implementation. The Roads and Highway Division has constructed 1,362.55 meters bridges/culverts in the first 2 years. A total number of 250 development projects including 6 technical assistance projects have been included in the Annual Development

Program (ADP) of Roads and Highways Department between FY 2016 and FY 2017 (up to February 2017). To ensure safety of passengers and goods, modern road design is being implemented through identifying the accident black spots on the National Highways. Road accidents have already reduced due to proper maintenance of roads and straightening of alignment.

Table 8. 8: Roads and Highways objectives and performance for the Seventh Plan

Physical Activities	Progress (FY16-FY17)	7 th FYP Targets (FY16-FY20)
Construction of 4 lane roads (kilometer)	280.63	300
Construction of roads other than 4 lane (kilometer)	1,441.74	340
Improvement/ Rehabilitation of roads(kilometer)	1,847.06	2,500
Construction of Flyover/Overpass (meter)	1,362.554	7,000
Construction of bridges/culverts (meter)	11,733.77	14,800
Reconstruction of bridges/culverts (meter)	3,243.6	6,800

Sources: Road Transport and Highways Division and 7th FYP

Along with the construction and reconstruction/rehabilitation of roads and bridges, the 7th Plan put highest priority to the construction of the Padma Bridge at Mawa-Janjira point, the largest infrastructural development project of the government. About 50 percent of the projects has been completed (up to January 2018). Regarding highways, the topmost priority of the 7th Plan is to convert important national highways into four lanes. As part of the objective, the construction of Dhaka-Chattogram 4-lane Highway and Dhaka-Mymensingh 4-lane Highway have been completed and the corridors are in use. Besides, Dhaka-Tangail highway and Dhaka-Mawa Highway are being upgraded into 4-lane roads. Steps has been taken to construct multi-lane road tunnel under Karnaphuli River. The proposed tunnel will be 3.40 kilometers with an approach road of 4.89 kilometers alongside 800 meters of bridges linking Chattogram city, port and western side of the river with its eastern side and will connect Asian Highway to Dhaka-Chattogram-Cox's Bazar Highway. The project is expected to be completed by the end of 2022.

The Railway Sector

The railway sector is lagging with respect to the 7th Plan targets. The DRF targets for railway is expressed in terms of the kilometers of railroad in useable condition. According to the annual report of the Ministry of Railway, 2,877 kilometers of railroads are in useable condition in FY 2017, which is the same as the base year value in FY 2015. During the first two years of the 7th Plan, usable rail line has not been changed. The performance of rail transport is summarised in Table 8.9. The 7th Plan targets to construct 856 kilometers of new rail track while only 66.3 kms has been achieved in the first two years of the plan period. About 125 kilometers of rail track has been upgraded to double tracking during FY 2016-FY 2017 against the target of 1,110 kilometers by FY 2020: that is, only 11 percent of the target has been achieved so far. Against the target of undertaking rehabilitation of 725 kilometers rail track, about 113 kilometers have been achieved. Bangladesh Railway has constructed 96 rail bridges, 78 new level crossing and 17 station building. Modernization of Pahartali workshop is underway and 71 percent of the project has been completed as of FY 2017. Railway has procured purchase of 80 locomotives and purchased 270 passenger coaches in the first two years against the 7th plan targets of 100 locomotives and 1120 passenger coaches by FY 2020. Different projects for the construction of new rail track or reconstruction are underway which includes Dohazari-Cox's Bazar-Gundum (129.58 kms), Vatiapara- Gopalganj - Tungipara (132 kms), Pachuria-Faridpur-Bhanga (60 kms), Ishwardi-Pabna-Dhalarchor (78.8 kms), Khulna-Mongla (64.75 kms). To link rail track with Padma Bridge, the Bangladesh Railway has taken initiatives to construct 169 kilometers of rail track. A feasibility study for construction of the railway

line to connect Payra Port is underway. The DRF target for the length of new railway network was 182 kms by FY 2017. About 125 kilometers of new double railway line has been completed by this time in the Dhaka-Chattoogram corridor. There are 243 kms double line network (including previously completed 118 kms) out of 321 kms in this corridor which is in use now. Several other on-going projects on the establishment of double track line, including Akhaura-Laksam 72 kms and Dhaka- Narayanganj 16 kms dual gauge line, are being implemented and few others are in procurement phase. Completion of ongoing projects can greatly improve the Railway's operational speed and capacity.

Table 8.9: Seventh plan railway targets and performance

Performance indicators	Progress (FY16-FY17)	7 th Plan target (FY16-FY17)
Expansion of railway network to expand rail operations	66.28	Undertake construction of 856 kilometer of new rail track.
Double tracking of important sections and gauge unification to overcome operational bottlenecks	125 KM	undertake dual gauge double tracking of 1110 kilometer
Rehabilitate/upgrade existing rails for improved speed and safety	112.93	Undertake rehabilitation of 725 km of existing rail track
Construction of railway bridges and other infrastructure for operational improvement	construction of bridges 96, new level crossing 78, improvement of level crossing 71, station building 17, reconstruction of station building 9	Undertake construction of rail bridges, improvement of level crossing gates and improvement of other infrastructure.
Procure new locomotives to improve service quality	Procured purchase of 80 locomotives	Purchase 100 new locomotives, 1 locomotive simulator and 4 relief cranes
Procure new coaches for passenger comfort.	Purchase 270 passenger coaches	Purchase 1120 passenger coaches and rehabilitate 624 coaches.
Upgrade railway workshops and maintenance	Modernization of Pahartali workshop 71 %	Procure modern maintenance equipment
Improve rail speed and safety	Upgrade rail signal 29	Upgrade rail signal for 81 stations

Source: Ministry of Railways and Bangladesh Railway, annual reports 2015-16 and 2016-17; and 7th FYP

The performance of railway in carrying goods and passengers has been reported in Table 8.10 Looking at the performance, a mixed picture emerges. The indicator, passenger-kilometers, is regarded as the best measure for passenger traffic and tons-kilometers is the measure of freight carried by railway. There is a sharp increase in the passenger-kilometers carried in FY 2016. It shows that passenger-kilometers carried has increased from 8,711.37 million in FY 2015 to 9,167.18 million in FY 2016, an increase of 5.23 percent. However, there was a slight decline in freights carried. It declined from the base year value of 693.84 (ton-kilometers) million to 675.09 million in FY 2016. The performance of railway has not changed in FY 2017.

Table 8.10: Performance of Bangladesh Railway

Fiscal Year	Kilometers	Passenger Kms (Million)	Freight Ton Kms Million)
FY15	2877	8711.36	693.84
FY16	2877	9167.18	675.09
FY17*	2877	9167.18	675.09

*Provisional

Source: Bangladesh Economic review, 2017

Although some progress has been made, the Bangladesh Railway suffers from major constraints. Shortage of rail tracks, rolling stock and safety equipment, a mismatch between broad and meter gauge systems, and operational inefficiencies are regarded as the major constraints of railway. Besides, rail transport could not attract passengers as the quality of services provided is poor. Bangladesh railway suffers from large deficit every year. The yawning deficit needs to be tackled while making rail journeys both for people as well as goods attractive in making the railway transport viable for Bangladesh.

Inland water transport

The Ministry of Shipping is responsible to ensure maximum use of waterways as efficient, environment-friendly and secure communication and for the development of internal

water transport infrastructure, its maintenance, operation and control. To implement the priorities for the development of inland water transportation system, a comprehensive development strategy has been taken under the seventh plan.

A total 400 Hydrographic Survey has been completed in FY 2016 under Bangladesh Inland Water Transport Authority (BIWTA) (Table 8.11). The dredging work performed by the BIWTA every year is both development and maintenance in nature to ease and make convenient transportation of passenger and cargo. The 7th Plan aims to undertake dredging activities in 3,600 lakh cubic meters while 626 lakh cubic meters has been undertaken during FY 2016-FY 2017. A total of 24 dredgers and 19 service vessels of different sizes have been procured during this time. The Plan targets to construct 10 river ports during FY 2016-FY 2020. Bangladesh Government has undertaken initiatives to construct 8 river ports. Construction work of these river port is yet to complete. The Bangladesh Inland Water Transport Authority (BIWTA) and the Bangladesh Inland Water Transport Corporation (BIWTC) have procured 167 new pontoons of different size and reconstructed another 288 pontoons during the last two financial years.

Table 8.11: Inland Water Development Program in the Seventh Plan

Performance Indicators	Progress (FY16-FY17)	Targets (by FY20)
Development of new waterways and maintaining navigability of existing channels	400 nos.	Hydrographic Survey in 6000 km of inland waterways & in 1000sq km of coastal waters
	626 lakh m3	Dredging of 3600 lakh m3
	24 nos.	Procurement of 30 nos. dredger;
	19 nos.	Procurement of different no. of service vessels.

Performance Indicators	Progress (FY16-FY17)	Targets (by FY20)
Operation, maintenance and establishment of landing stations and river ports for bulk cargo and container	8	Construction of 10 nos. River Port
	*	Modernization of 9 nos. River Port;
	1 (container yard at Chattogram port)	Construction of 2 nos. Container Terminal (ICT)
	167	Procurement of different size such as 5 nos. (large), 45 nos. (medium), 50 nos. (small), 35 nos. (special type) of Pontoon
	288	reconstruction of Pontoon

* Information not available

Source: Ministry of shipping, annual reports 2015-16 and 2016-17

Ports

Ports are lifelines for international trade and the Chattogram Port handles 95 percent of the country's sea borne export and import trade. The 7th FYP aims to improve the operational capacity and efficiency of Chattogram port in line with good international practices. Table 8.12 reports that the performance of Chattogram port has improved significantly in terms of cargo handled, vessels handled and container handled. The total cargo handled including inland and ICD increased from 61.73 million tons to 79.98 million tons between FY 2015 and FY 2017. The number of vessel handled increased from 2,566 to 3,091, and container handled increased from 18.67 million tons to 23.48 million tons during the period. As per international standard, one of the main performance indicators of any port is to keep turn-around time of vessels at a minimum level. The turn-around time of vessels stood at 2.83 days in FY 2017, against the base year time of 4.45 days in FY 2015. Another indicator of operational activities and efficiency is that the dwelling time of containers should be kept at minimum level along with vessels. The dwelling time of containers was almost 11.15 days in FY 2017.

Table 8. 129: Chattogram port performance under 7th Plan

	FY15	FY16	FY17
Turn Around Time of Vessels (days)	4.45	4.70	2.83
Cargo handled including inland and ICD (million tons)	61.73	71.16	79.98
Vessels handled (nos.)	2566	2875	3092
Container handled (million tons)	18.67	21.14	23.48

Source: Chattogram Port Authority

Mongla port has seen implementation of various development projects. There are 4 transit sheds, 2 warehouses, 4 container yards, 2 car yards, accommodating more than 100 lakh MT of cargos, 70 thousand TEUs of containers, and 6000 of cars annually. In FY 2017, Mongla port handled 75.12 lakh MT of cargo, 26,952 TUEs of container and 15,907 cars (Bangladesh Economic Review 2017). Payra Port, the third sea-port of Bangladesh, engaged in limited scale of operational activities. The development of Payra port as deep sea-port is underway. The infrastructural development for the project at the first phase is expected to be completed by June, 2020. Construction of deep sea-port at Maratbari, Cox's Bazar is underway. The port will have a draft of 16 meters; about 350-metre-long vessels with a capacity of 8,000 TEU containers will be able to take berth in the port. The first phase of the deep sea-port is expected to be completed 2023.

Without adequate and modern port facilities, the trade costs for Bangladesh will continue to be excessive, affecting the country's external competitiveness. Higher trade costs also make domestic import-competing production costlier. With growing domestic production and need for more export earnings, Bangladesh has no alternative but to make its port facilities modern, efficient and globally competitive. There is significant potential for making improvements in these areas for which the effective implementation of the current development projects is vital.

Major Infrastructure development projects

Several priority projects are being implemented under the 7th Plan. The progress status of selected priority projects is summarized in Table 8.13. The Padma Bridge, the largest infrastructural project of Bangladesh, is expected to be inaugurated by the end of 2018. About 50 percent of the construction is complete as of January 2018. The project is being implemented with funding from domestic sources. The cost of the project is reported to have already tripled because of the implementation delays and for other reasons including land acquisition.

The Dhaka Elevated expressway is being implemented under PPP initiative. Only 7 percent of the project has been completed (as of February 2018). Rooppur Nuclear Power Plant (RNPP) is expected to add 2,400MW of electricity to the national grid by 2024. The project is being implemented by Bangladesh Atomic Energy Commission (BAEC) under the Ministry of Science and Technology.

Rampal Coal Power Project is supposed to be in operation by 2021. The project got delayed and only 3.5 percent of the construction work has been completed so far. Matarbari coal power project is expected to be completed by 2023; only 17 percent of the work in progress. The first phase of Dhaka metro rail project (MRT-6 project) will start operation in 2020 while the whole project is expected to be completed by 2021. The JICA-funded project is in progress and about 12 percent of the construction work has been completed. There has been little progress on the Matarbari power plant project, the Padma Bridge railway link and the Dohazari-Cox's Bazar-Gundum project.

Table 8.13: Progress of major infrastructure project

Projects	Completion target	Status (signed/ work in progress/ completed)	Work progress (%)
Dhaka-Chattogram 4-lane highway	2016	Completed	
Padma Bridge	2018	work in progress	50% *
Dhaka Elevated Expressway	2020 (revised)	work in progress	7%
Rooppur Nuclear Power Plant Project	2024	Work in progress	-
Rampal Coal Power Project	2021 (rescheduled)	work in progress	3.5% (October, 2017)
Matarbari Coal Power Project	2023 (revised)	work in progress	17%
MRT-6 project	2020 (first phase) 2021 (complete) (revised)	work in progress	12%*
Payra Deep-sea Port	2022 (rescheduled)	work in progress	Physical progress: 2.1%*

* Information obtained from the Daily Prothom-alo

Source: Bangladesh Bridge Authority, Road Transport and Highways Division

Financing Strategy and Resource Allocation for Infrastructure

Because of the importance of power, energy and transport infrastructure in facilitating private investment and for economic development, the government responded positively to the seventh plan targets by making large allocations for infrastructure as well as financing large infrastructural projects through Public-Private Partnership (PPP) initiatives.

ADP allocation

The ADP allocation and expenditure for infrastructure have increased progressively in line with the seventh plan. Within the infrastructure category, the allocation as well as expenditure for power and energy have decreased in FY 2017. In energy and power sector, much of the investment went to the Power Division due to the installation of new plants to generate power and installing transmission and distribution network. The total ADP expenditure in transport infrastructure has increased sharply from TK. 184.36 billion in FY 2016 to 292.5 billion in FY 2017 - an increase of 58.6 percent (Table 8.14). ADP allocation for transport sector has increased by 47.1 percent in FY 2017. Much of the expenditure was incurred in roads and railways, mainly due to the large projects including Padma Bridge, 4-lanes road infrastructure, and construction of new rail network.

Table 8.14: ADP/Seventh plan allocation and actual ADP expenditure for infrastructure related Ministries/ Divisions (TK billion)

Ministry	FY16			FY17		
	ADP Al- location	7 th FYP Target	ADP Expen- diture	ADP Al- location	7 th FYP Target	ADP Expendi- ture
Energy & Mineral Resources Division	10.68	19.9	10.54	19.11	34.5	10.68
Power Division	154.76	164.9	152.57	130.4	168.5	134.21
Total power and energy	165.44	184.80	163.11	149.51	203.00	144.89
Road Transport and Highways Division (RTHD)	63.49	56.8	65.07	81.61	69.2	94.03
Bridges Division	62.53	89.2	52.66	92.58	127.7	65.27
Total Ministry of Road Transport and Bridges	126.02	146	117.73	174.19	196.9	159.30
Ministry of Railways	46	56.5	39.50	91	63.8	92.78
Ministry of Shipping	16	10.8	11.15	15	11.3	17.08
Ministry of Civil Aviation and Tourism	2.45	3.3	2.35	4.89	4.2	4.73
Posts and Telecommunications Division	14	17.7	13.63	15	18.7	18.61
Total Transport and Communication	204.54	234.3	184.36	300.88	294.9	292.50
Grand Total	369.98	419.10	347.47	450.39	497.90	437.39

Source: Medium Term Budget Framework, Ministry of Finance and 7th FYP

Since infrastructure development is considered key to many other development objectives in Bangladesh, utilization of ADP allocation is of critical importance. In the first year under the 7th FYP (FY 2016), the actual spending (TK. 345.5 billion) was much less than the target spending of TK. 419.1 billion. In FY 2017 as well, the actual spending of TK. 437.39 billion fell short of the target (TK. 497.9 billion). Fulfilling targets in this

area needs careful consideration given its impact on overall development objectives as envisaged in the 7th FYP. Another issue is ensuring quality and reliability of infrastructure projects and, once constructed, their effective maintenance to ensure sustainability and effectiveness.

Reinvigorating Public-Private Partnership (PPP) initiatives

The 7th Plan envisages the PPP initiatives to gain the desired momentum during FY 2016-FY 2020. The government has put much emphasis on the implementation of PPP initiatives. Among the 47 PPP projects, 14 are related to road, rail, port and energy. Dhaka-Elevated Expressway is the only project that is at the construction stage (Annex table 2.2). A contract has been signed for another project to set up 2 jetties at Mongla Port. Three more projects are at the procurement stage. The other projects are either at the development stage or at the initial stage of Cabinet Committee on Economic Affairs (CCEA) approval.

Major Institutional and Policy Reforms in Roads, Energy and Power Sectors between FY 2016 and FY 2017

A number of important policy and institutional reforms have been undertaken in energy and transport infrastructure. These reforms are taken to address power shortages, promote efficient conservation of power and energy, develop safe transportation systems in road, rail and waterways and improve the efficiency of ports. The major policy reforms are summarized below:

Power Sector

- Procurement of Pre-Payment Metering System Project in the Six Distribution Zones of Bangladesh Power Development Board (BPDB).
- Bangladesh Power Development Broad (BPDB) Act 2017.
- The 'Energy Efficiency and Conservation Master Plan up to 2030', approved in 2016, has been prepared by SREDA with the assistance from Japan International Cooperation Agency (JICA).
- The Power System Master Plan (PSMP) 2016 has been approved aiming at assisting Bangladesh in formulating an extensive energy and power development plan up to the year 2041, covering energy balance, power balance, and tariff strategies.

Transport sector

- The draft of the Bus Rapid Transit Act 2016, has been approved with the aim to reduce the time it takes to travel between Dhaka and Gazipur to as little as 20 minutes.
- Bangladesh road transport authority act 2017
- Bangladesh road transport corporation ordinance 1961 has been updated and approved as Bangladesh road transport corporation act, 2017
- Road Transport Act 2017 has been finalized
- Metro Rail Rules, 2016
- Bangladesh Bhutan India Nepal (BBIN) Motor Vehicles Agreement (MVA) has been signed. Implementation of Protocol on Cargo Vehicles for BBIN MVA is under process.
- The second service, the Bandhan Express, was inaugurated connecting Kolkata and Khulna
- Memorandum of the understanding on the use of inland waterways for transportation of bilateral trade and transit cargoes between Bangladesh and Bhutan has been signed on April 18, 2017

The Way Forward

The timely completion of priority projects remains a major challenge for Bangladesh. Delays in project implementation have huge implications on project costs. There is a need for being strategic and for taking comprehensive measures to complete the current high-priority projects within the stipulated deadlines.

In the case of power sector, the focus should not be only on increasing generation at any cost, but on the basis of long term competitiveness of the industry as well as considering the efficiency of the sector. The Power System Master Plan (PSMP) 2016 should be implemented in a timely manner to ensure clean and uninterrupted power supplies. Policies should be designed to reduce the dependency on primary fuel (oil) when the stock of gas will run out in the future. In that case, nuclear and coal based power plants in Rooppur and Rampal can help meet the demand for power.

Urban transportation remains a big challenge. The traffic congestion is increasing and getting worse. The BRT and MRT lines should be implemented in a timely manner to tackle the exponentially growing traffic in Dhaka. Besides, broader governance, institutional capacity building, improved traffic management along with adequate investment and policies will be critical for achieving infrastructure targets under the 7th Plan. Emphasis should be given on PPP projects for their quick delivery and implementation.

Chapter Nine

Progress with Gender equality, Income Inequality, and Social Protection

Introduction

The Government of Bangladesh is pledged to ensure equal rights and opportunities for everyone across all regions of the country. With the aim of making this vision a reality, the Government formulated the National Social Security Strategy (NSSS) of Bangladesh in 2015. The National Social Security Strategy (NSSS) depicts a guideline to live up to this commitment of creating an equitable country free from the curse of poverty. The seventh five year plan recognized the successful implementation of NSSS as the major challenge for ensuring adequate social protection for the poverty-ridden and vulnerable population of the country. In this regards, the Government has already taken the initiative to prepare an action plan for the implementation of the National Social Security Strategy (NSSS) of Bangladesh. The action plan will include detailed programs and performance monitoring strategy as well as specific responsibilities of implementing ministries and divisions.

Social protection scheme taken by the Government is an important apparatus for reducing poverty and income inequality across the nation. The Government spending on social protection has been kept stable around two percent of GDP for the past few years. In 2015 Government allocated 2.02 percent of GDP for social protection. The 7th FYP sets the target of increasing government spending on social protection by 0.3 percent of GDP over 5 years plan period to achieve 2.3 percent of GDP by 2020. The government spending on social protection was 2.08 percent in 2016 against the 7th FYP target of 1.96 percent and 2.31 percent in 2017 against the 7th FYP target of 2.22 percent.

The Seventh Five Year Plan puts special focus on ensuring equal rights and opportunities for all men and women within the country. The gender strategy of the Seventh Five Year Plan (7th FYP) is centered on strategies and action plans aimed at increasing the access to resources and opportunities for women along with enhancing their capabilities, and reducing structural and institutional barriers in order to establish equal rights for women. Having made notable progress in gender equality in primary and secondary education, the core targets for 7th FYP focuses on reducing the gender gap in tertiary education, as well as establishing women's control over decision making through changing social norms.

This chapter analyzes the progress in implementing the 7th FYP targets set for accomplishing enhanced women empowerment and reduced gender gap, increased social protection and inclusion for the poor and vulnerable people, as well as reducing income inequality within the country.

Women Empowerment

Objectives, Targets and Strategies

Bangladesh has achieved remarkable progress towards women's empowerment and gender equality over the last 15-20 years. Being one of the top ranking countries in political empowerment and doing better than many countries in terms of social indicators, Bangladesh has shown promising performance in reducing gender gap. Successful achievement of most of the goals and targets of Millennium Development Goals (MDGs) during the period 2001-2015 have taken Bangladesh miles ahead in this regard. However, it is time for Bangladesh to turn its attention towards more ambitious targets regarding gender parity, especially the ones specified in the new set of global goals- i.e. the Sustainable Development Goals (SDGs). The Seventh Five Year Plan of Bangladesh is well-aligned with the SDGs which reflects the Government's strong commitment towards walking the walk instead of just talking the talk when it comes to take far-reaching initiatives to continue its progress in attaining gender parity. The gender strategy of the Seventh Five Year Plan (7th FYP) is centered on strategies and action plans aimed at increasing the access to resources and opportunities for women along with enhancing their capabilities, and reducing structural and institutional barriers in order to establish equal rights for women. The aim is to "ensure women's advancement as self-reliant human beings

and reduce discriminatory barriers by taking both developmental and institutional measures”. The core targets set in the 7th FYP in this regard are:

- Female to male ratio in tertiary education to be raised from current 70 percent to 100 percent
- The ratio of literate female to male for age group 20-24 to be raised to 100 percent from the current 86 percent
- Encourage female enrolment in technical and vocational education
- Reduce or maintain the current income inequality of 0.45
- Spending on Social Protection as a share of GDP to be increased to 2.3% of GDP

To achieve these targets, the 7th FYP outlined an implementation plan consisting of 4 strategic objectives: (i) Improve women’s human capabilities; (ii) Increase women’s economic benefits; (iii) Enhance women’s voice and agency; and (iv) Create an enabling environment for women’s advancement. Several areas of action have been specified in the 7th FYP to bring about desired outcomes in these objectives:

Increase access to human development opportunities: This will be implemented by ensuring: (i) life cycle based disease prevention and curative healthcare services, (ii) equal access to nutrition, (iii) modern reproductive health and family planning services, (iv) women’s decision making over reproductive health, (v) quality formal education, (vi) marketable technical and vocation education including ICT, (vii) safe water and sanitation services, (viii) freedom from violence, (ix) ending child marriage, (x) participation in sports and culture, (xi) Protection and development of differently abled women.

Enhance access to and control over productive resources: This will be implemented by ensuring: (i) Short and long term access to decent and harassment free employment, (ii) Secure employment in public and private sectors –domestic and abroad, (iii) Opportunities for higher-value self-employment, (iv) Financial and business development services for entrepreneurship, (v) Reduce and prevent violence and sexual harassment in workplaces and public spheres, (vi) access to support services, (vii) Access to markets and productive assets (land, seeds, fertilizers and extension services), (viii) Increased ownership of land and productive resources, (ix) Access to, and decision-making over, community resources (water body, land, forest), (x) Access to technology and information (a2i), and (xi) Access to energy.

Increase participation in decision making: This will be implemented by ensuring: (i) Participation in national politics and local Government, (ii) Strengthened knowledge and capability to participate in public sphere, (iii) Representation/leadership in public institutions, business and trade, (iv) Enforcement of targets/quotas for women’s representation at all levels, (v) Membership and leadership in associations and decision-making forums.

Establish conducive legal and regulatory environment: This will be implemented by ensuring: (i) Removal of all discriminatory provisions in all laws and policies, (ii) All laws effectively enforced to uphold rights of women and girls, (iii) Rights of the girl child recognized and upheld in laws and policies, and (iv) Accountability of law enforcers.

Increase protection and resilience from crisis and shocks: This will be implemented by ensuring: (i) Social protection addressing gender inequalities and gender dimensions of poverty and shocks, (ii) Climate change adaptation, resilience, food security and livelihoods, (iii) Mitigation measures of involuntary resettlement, and for preventing environmental degradation, and (iv) Information services for livelihood and to strengthen resilience to climate change, calamities and shocks.

Influencing Social Norms and Changing how Women and Girls are Valued: This will be implemented by ensuring: (i) Portrayal of positive image of girls/women as equal human beings in all media, (ii) Program for

men to change mind-set about men and women's roles, and (iii) Working with children and adolescents to develop norms of more egalitarian relationships.

The implementation of these actions and strategic objectives will be monitored through tracking the progress of specific performance indicators against pre-set targets. The performance indicators along with the targets pre-set for each year during the 7th FYP period 2016-2020 are given in Table 9.1.

Implementation

The Development Results Framework (DRF) for monitoring the progress of 7th FYP identifies 6 key performance indicators to track the progress in gender and inequality. Table 9.1 shows the progress in these indicators against the targets for each year in the period 2016-2020.

Table 9. 1: Progress in Gender and Inequality Indicators

Performance Indicators	Baseline (Year)	Target by 2020	Current Status
Percentage of seats held by women at National Parliament	20 (2014)	33	20.3 (2017)
Percentage of women aged 20-24 who were married before age 18	65 (2011)	30	58.6 (2014)
Ratio of girls to boys in tertiary education	0.7 (2015)	1	0.68 (2017*)
Gender budget as percentage of total budget	27.7 (2014)	30	27.3 (2017)
Percentage of female teachers at (a) primary, (b) secondary (c) tertiary education	a)57 b)24 c)20	a)70 b)35 c)25	a)61.45 (2017*) b)26.10 (2017*) c)23.70 (2017*)
Percentage of female officers (class-1) employed in public sector	21 (2014)	25	New data not available

**Provisional*

Some progress have been made in reducing the percentage of women aged 20-24 who were married before age 18, as observed by the decline from 65 percent in 2011 to 58.6 percent in 2014 (Source: BDHS 2014). However, reaching the target of reducing this percentage to 30 by the year 2020 remains a challenge. The Government has undertaken some programs through the Ministry of Women and Children Affairs (MoWCA) which are aimed at preventing child marriage and promoting adolescent health, creating awareness among not only children but also their parents and community leaders regarding the harmful effects of child marriage, dowry and eve teasing. The Government has also formulated 'Child Marriage Prevention Act, 2017' in this regard.

Bangladesh successfully achieved gender parity in primary and secondary education during the MDG period. Ratio of girls to boys in primary school was 1.06. In 2015, enrollment ratio of girl children in primary schools reached 50.88 percent. Enrolment of girls surpassed boys and the ratio reached to 1: 1.14 in secondary level. In 2015, girl's enrolment rate reached 53.6 percent. At higher secondary level too, considerable progress has been achieved with girl's enrolment rate being 47.56 per cent. Girl's enrolment rate is higher than that of boys at Madrasa level which is 53.67 percent. Also, the percentage of female teachers in primary, secondary and tertiary level of education have increased from base year level (Source: BANBEIS, Ministry of Education and Finance Division). The main challenge for Bangladesh now is to demonstrate the same zeal towards reducing the gender disparity in tertiary level education. The ratio of girls to boys in tertiary education was 0.67 in 2016 against the target of achieving 0.76, and was 0.68 against the target 0.82. The lack of improvement in the ratio indicates the need to introduce innovative and new initiatives on the part of Government to encourage

more girls to enroll into tertiary education. Some of the most noteworthy cause behind this low participation of women in higher education include poverty, early marriage, violence against women, and restriction in mobility, lack of adequate accommodation facilities/hostels for female students etc.

Adequate financing and human resources are crucial to implement the 7th FYP gender strategy and targets. The 7th FYP target for gender budget as percentage of total budget is 30 percent by 2020. In 2017 the gender budget as percentage of total budget was 27.3, which is not far from this target. Bangladesh has adopted Gender Responsive Budget in 2009, where gender issues are embedded in the MTBF process and emphasis is given on the linkages between a ministry's stated objectives and activities and advancement of women's rights. The gender budget report aims to ensure accountability and transparency of government's initiatives for women's advancement. All ministries provide accounts of their achievements and challenges in implementing gender-responsive programs for the fiscal year that show trends and patterns on national level changes in gender equality and women's rights.

Some other policies have been undertaken by the Government in reflection of its commitment to ensure a safe and enabling environment for women. The Government has formulated the 'Domestic Violence (Protection and Preservation) Rules, 2013' under 'Domestic Violence (Protection and Preservation) Act, 2010' to ensure equal rights and to eliminate all forms of discrimination in all spheres of public life and the State. For the development of women and children, the Government has also formulated National Children Policy, 2011; Children Act, 2013, Prevention and Suppression of Human Trafficking Act, 2012, Hindu Marriage Registration Act, 2012, Early Childhood Care and Development Policy, 2013, House-maid Protection Policy, 2015, and Child Marriage Prevention Act, 2017.

The Government's strong commitment towards reducing gender has been reflected in the recent performances of Bangladesh in gender equality indicators. According to The Global Gender Gap Report published by World Economic Forum, Bangladesh has been able to close the gender gap significantly over the last year, ranking top among the South Asian countries in gender parity for the fourth consecutive year. The Global Gender Gap Report (GGGR) ranks countries based on their progress towards closing the gender gap across four thematic dimensions: (i) Economic participation and opportunity, (ii) Educational attainment, (iii) Health and survival, and (iv) Political empowerment. With a score of 0.719 Bangladesh ranked first among seven South Asian countries, and fifth among forty lower-middle income countries. This has been possible for some timely taken initiatives by the Government and relevant ministries of the Government to improve the position of women in social, economic and political spheres. Bangladesh has successfully eliminated gender disparity in primary and secondary education, as well as reduced the gender gap in tertiary education. The Human Development Report 2016 (UNDP, 2016) recorded that Bangladesh is encouraging female participation in the workforce, with the ambition of bringing the share of women in the workforce up from 34 percent to 82 percent by 2026. Also, Bangladesh is among the top ten performers under the political empowerment sub-index of Global Gender Gap Report 2017 (global rank 7th out of 144 countries in the world). Despite the apparent progress in some indicators, there is massive scope for improvement in economic and social sectors. Table 9.2 shows the comparative position and score of Bangladesh and other South Asian countries in overall gender gap index as well as the sub-indices.

Table 9. 2: Comparative performance of South Asian countries in the GGGR sub-indices

Country	Overall		Economic Participation and Opportunity		Educational Attainment		Health and Survival		Political Empowerment	
	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score
Bangladesh	48	0.721	133	0.441	116	0.950	117	0.969	5	0.526

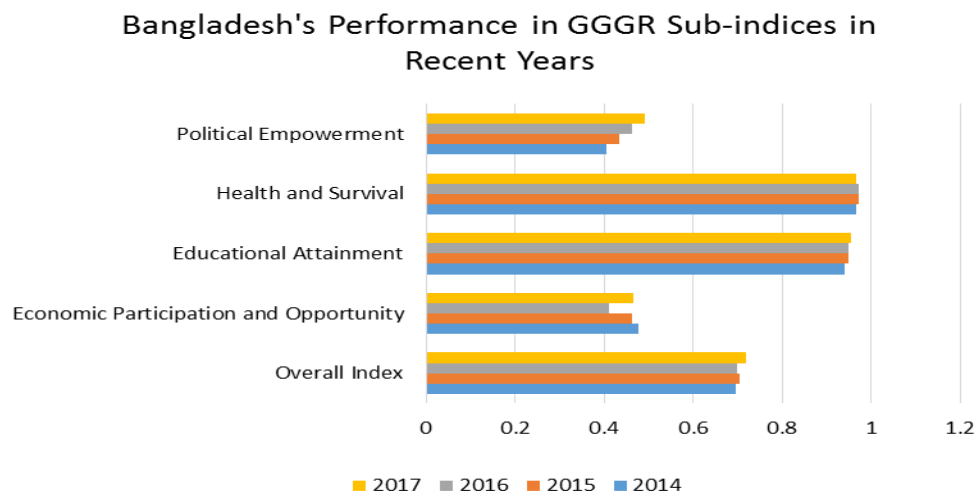
Country	Overall		Economic Participation and Opportunity		Educational Attainment		Health and Survival		Political Empowerment	
	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score
Maldives	113	0.662	101	0.622	27	1.000	144	0.953	132	0.072
India	108	0.665	142	0.385	114	0.953	147	0.940	19	0.382
Sri Lanka	100	0.676	125	0.549	90	0.988	1	0.980	65	0.188
Nepal	105	0.671	110	0.608	123	0.926	128	0.966	66	0.185
Bhutan	122	0.638	104	0.619	125	0.917	141	0.960	138	0.056
Pakistan	148	0.550	146	0.318	139	0.810	145	0.946	97	0.127

Source: The Global Gender Gap Report 2018, World Economic Forum

However, among the four sub-indices, Bangladesh secured top position in South Asia only in political empowerment sub-index (global ranking 7). In educational attainment sub-index, Bangladesh performed better than most South Asian countries, with the exception of Maldives (global ranking 1) and Sri Lanka (global ranking 86). Although Bangladesh outperformed India (global ranking 139) and Pakistan (global ranking 143), its global ranking of 129 indicates that there is huge room for improvement in economic participation and opportunity sub-index. With a female labor force participation rate of only 35.6 percent in FY 2016, Bangladesh is falling behind in ensuring equal participation of women in the economic development of the country. In health and survival index, Bangladesh was outperformed by Sri Lanka (global ranking 1) and Nepal (global ranking 116).

Figure 9.1 shows Bangladesh's performance in these four indices over the recent years. Bangladesh has been consistently doing well in political empowerment, with women occupying 20.3 percent seats in the parliament. Women's participation in the National Parliament and local governments has been supported through constitutional and legal provisions. In the 14th Amendment of the Constitution, the provision of women's reserved seats was increased to 50.

Figure 9. 1: Performance of Bangladesh in GGGR sub-indices in recent years



Source: The Global Gender Gap Reports, World Economic Forum

Bangladesh's performance in health and education sectors do not show any promising change over the period 2014-2017. The public expenditure on education (as % of GDP) was 2.83 percent in FY 2016, which is one of the lowest in the world.

Overall, the analyses of the progress of implementation of 7th FYP targets regarding gender equality reveal that Bangladesh is on track in achieving greater gender parity with a need for increased effort in ensuring safety of women and children. In Bangladesh, harmful and discriminatory practices like child marriage, abandonment, dowry, and gender based violence persists largely due to practices rooted in the traditional social norms that favor boys over girls. Violence takes place at home, workplace and public places. The first law banning acid violence was passed in Bangladesh in 2002, and the death penalty was introduced later as punishment for the crime. As a result, acid attacks in Bangladesh fell from 494 incidents in 2002 to 59 in 2015. Changing social norms through awareness building and other initiatives has been identified as one of the key strategies in the 7th FYP to reduce harmful practices boosting gender disparity and ensure enhanced capabilities and enabling environment for women.

Progress with Poverty Reduction

Objectives, Targets and Strategies

Bangladesh successfully achieved the MDG poverty reduction targets well ahead of time and became a model in fighting poverty among LDCs. The remarkable outcome of reducing head count poverty ratio from 56.7 percent in 1991-92 to 24.3 percent in 2016 (Source: Preliminary Report on HIES 2016) reflects tremendous effort on the part of the Government and relevant national agencies. Nonetheless, the rate of poverty reduction has been slowing down in the recent years. The Sustainable Development Goals agenda emphasizes on reducing poverty to 16.6 percent and eradicating extreme poverty by 2020. In line with the SDGs targets, the 7th FYP strategy for poverty reduction stresses the importance of putting greater focus on the extreme poor and vulnerable people.

The poverty reduction strategies in the 7th FYP focus on job creation through growth and structural change, Continued emphasis on worker service exports in order to increase the inflow of remittances, further expansion of micro-credit, transforming the rural economy by reducing transaction costs of trading with the urban economy by ensuring greater ICT penetration in the rural areas, and continued focus on food productivity and agricultural diversification. An important feature of extreme poverty is vulnerability towards health shocks. The Government has developed a health financing strategy, keeping the need of the marginalized and poor people in mind, which includes a health insurance component. The success of reducing vulnerability of the extreme poor will depend largely on the implementation of this health financing strategy.

Implementation Progress

The preliminary report on HIES 2016 reveals that Bangladesh has been able to reduce poverty by 7.2 percentage points during the period 2010-2016. The poverty headcount rate fell from 31.5 percent in 2010 to 24.3 percent in 2016. The headcount ratio using lower poverty line was also found to have reduced quite significantly from 17.6 percent in 2010 to 12.9 percent in 2017. The poverty gap was 6.5 percent in 2010, which was reduced to 5 percent in 2016. The continued progress in reducing poverty can be attributed partially to the growth incidence of poverty. An average GDP growth rate of around 6.5 percent in recent period has played a major role in eradicating poverty in Bangladesh.

Table 9.3 shows the progress in key indicators of monitoring performance in reducing poverty against the targets set in 7th FYP.

Table 9. 3: Progress in poverty reduction during 7th FYP

Performance Indicators	Baseline (Year)	Target by 2020	Current Status
Proportion of population living below national poverty line, differentiated by urban and rural	National:31.5 Rural: 35.2 Urban: 21.3 (HIES 2010)	16.6	National:24.3 Rural: 26.4 Urban: 18.9 (2016)
Proportion of population under national extreme poverty line (a) Rural and (b) Urban	Total:17.6 Rural: 21.1 Urban: 7.7 (HIES 2010)	8	Total:12.9 Rural: 14.9 Urban: 7.6 (2016)

Source: HIES 2016 Preliminary Report

Progress with Income Inequality

The progress in key indicators of monitoring income inequality against the targets set in 7th FYP are given in the table 9.4 below.

Table 9. 4: Status of inequality

Performance Indicators	Baseline (Year)	Target by 2020	Current Status
Degree of inequality (Gini coefficient), (a) consumption inequality (b) income inequality	(a) 0.321 (b) 0.45 (2010)	(a)0.30 (b)0.45	(a) 0.32 (b) 0.485 (2016)
Government spending on social protection (% of GDP)	2.02 (2015)	1.8	2.09 (2017)

Source: HIES 2016 Preliminary Report

The finding of HIES 2016 reveal that the Gini co-efficient of income has increased from 0.458 in 2010 to 0.483 in 2016 (Source: Preliminary Report on HIES 2016). Using decile distribution of income to assess the pattern of distribution of income among ten decile groups in the country, it has been observed that, Decile-1 to Decile-5 jointly share only 19.24% of total income, although they comprise 50% of the population. These shares together were 20.33% of total income in 2010. This indicates that share of income by the lower five deciles comprising lower 50% people remain almost same in 2016 compared to 2010. The percentage share of income of the lowest 5% households has decreased to 0.23% in HIES 2016 from 0.78% in 2010. The income share of top 5% households has increased to 27.89% in 2016 from 24.61% in 2010. The findings indicate that the concentration of income has slightly increased since 2010. The 7th FYP targets to reduce or maintain an income inequality of 0.45. Reducing income inequality has been continually proved to be a challenge for Bangladesh since early 80's. The 7th FYP strategies for reducing income inequality include human development strategy with emphasis on closing the access gap for the marginalized people. Increasing the access to credit for the poor can have a positive impact. The 7th FYP recognizes the need to take a fresh endeavor and provide renewed commitment to reverse the pattern of long-term increase in income inequality in Bangladesh.

Social Inclusion

There are various social groups who are vulnerable and socially excluded in terms of participation in the economic and social activities. The vulnerable population include children, elderly, ethnic and religious minority and people with disabilities. The 7th FYP recognizes that the different needs and priorities of these social groups must be taken into account when planning to eradicate poverty and improve Human Resource

Development. Empowerment through increased participation in the various spheres of a society is the most efficient and inclusive way to do so. This positively reinforces the development of a nation and strengthens economic growth both directly and indirectly, in addition to increasing social stability and the wellbeing of its citizens. The Ministry of Social Welfare has undertaken several development and non-development programs aimed at improving social protection and security. Under these programs, financial assistance will be provided to the backward and vulnerable aged people, widows, women oppressed by husband, distressed women and persons with disability in the form of old age allowance, widow, women oppressed by husband and destitute women allowance, insolvent and disability allowance and education stipends to students with disabilities, eunuch and nomad. As these programs are expected to make a significant contribution to the overall social security, they are assigned the highest priority. Poor but active persons and persons with disability from rural and urban areas throughout the country will be provided with training and interest free credits to help develop them into skilled human resources. In light of the special needs of persons with disabilities, efforts will be made to integrate them into the mainstream of society as skilled manpower by providing accommodation facilities, education and training under special management, and provide them with assistive devices.

Several laws have been formulated by the government which benefitted the implementation of social inclusion targets. Rights and Protection of Persons with Disabilities Act 2013, The Maintenance of Parents Act, 2013, The Protection Trust for the Person's with Neuro-Developmental Disabilities Act, 2013 already been enacted. The Protection Trust for the Person's with Neuro-Developmental Disabilities Rules, 2015, The Vagrants and Homeless Person's (Rehabilitation) Rules, 2015, The Rights and Protection of Person's with Disability Rules, 2015, Social Services Department (Gazette and Non-gazette) Recruitment Rules, 2013 and National Policy on Senior Citizens 2013 has been formulated. Eunuch people have been recognized as a separate gender category. Apart from that, Bank accounts have been opened against a total of 50.00 lakh beneficiaries including 31.50 lakh elderly people, 11.50 lakh widows, women oppressed by husband, distressed women, and 7.00 lakh persons with disabilities. Also, during the period 2014-2017, self-employment opportunities were created through the provision of interest free micro-credits and vocational training to 7.01 lakh poor and vulnerable people.

Social Security Strategy for the Seventh Plan

The Seventh Plan emphasizes on the successful implementation of the National Social Security Strategy (NSSS⁶) adopted in June 2015 since the successful implementation of it would provide a strong basis for Bangladesh to extend proper social protection to its poor and vulnerable population. The Seventh plan opined that 'the Proposed reforms will be instrumental in eliminating leakages, improving targeting, increasing the average value of the transfers, lower the risks faced by the poor and vulnerable population, reduce poverty, help reduce income inequality and build social capital'.

6 The core of the NSSS is coordination among the 35 ministries/divisions and programme consolidation along lifecycle risks, with programmes for children, working age people – including specific focus on youth and vulnerable women – the elderly, and persons with disabilities. The heart of the NSSS is to reform the national social security system by ensuring more efficient and effective use of resources, strengthened delivery systems and progress towards a more inclusive form of social security that effectively tackles lifecycle risks, prioritising the poorest and most vulnerable members of the society.

Box 1: Brief Overview of NSSS

NSSS provides a sound strategy that defines the various life-cycle risks faced by poor and vulnerable population and seeks to mitigate those risks by instituting a well-designed income transfer system that reaches the poorest and most vulnerable segment of the population (the young children, school going children, vulnerable women, the elderly and the physically challenged). The NSSS is inclusive of all population irrespective of race, religion, profession, location or ethnicity. It seeks to modernize the Bangladesh social security by combining tax-funded safety net programmes with contributory social insurance and employment regulations to protect the workers. It also seeks to considerably improve the administrative arrangements for social protection programmes by consolidating complementary programmes, by strengthening staffing and institutions, by instituting a modern MIS system, by replacing food-based transfer payments with cash-based payments using the financial sector based G2P (government to people) system, by introducing a grievance redressing mechanism and by installing proper results-based M&E system. These reforms will be instrumental in eliminating leakages, improving targeting, increasing the average value of the transfers, lower the risks faced by the poor and vulnerable population, reduce poverty, help reduce income inequality and build social capital (Source: 7th FYP).

Aim and Priorities for Social Security System

The prime aim as envisioned in the 7th FYP and NSSS should be to build the foundations of a progressive and inclusive system. More specifically, it calls for the NSSS by ensuring more efficient and effective use of resources, strengthened delivery systems and progress towards a more inclusive form of Social Security that effectively tackles lifecycle risks, prioritizing the poorest and most vulnerable members of society. A basic objective for the next five years should be to eliminate as much as possible the incidence of hardcore/extreme poverty.

Priority for the Medium-Term

Against the backdrop of the review of past SSS experience, the priority challenges that will need to be addressed over the next five years are:

- Expanding coverage of core schemes for the extreme/hardcore poor and most vulnerable people of the society, focusing on mother and child, youth, working age, the elderly and people with disabilities. The aim would be to support the elimination of hardcore/extreme poverty as much as possible.
- Ensuring that the most vulnerable women are provided with income security and greater opportunities to engage in the labour market, more particularly as they enter motherhood.
- Initiating a social insurance system that enables people to invest in their own social security, providing protection against the risks of old age, disability, unemployment and maternity.
- Expanding coverage to the residents of urban areas and to the socially excluded people.
- Ensuring that the Social Security system supports an effective disaster response system.
- Strengthening the delivery systems for priority transfers by establishing advanced management information systems and professional staff.
- Consolidate the current schemes (more than 100) into five major core programme following 'Life Cycle Risk' approach.

Actual Progress in Social Protection System under the Seventh Plan

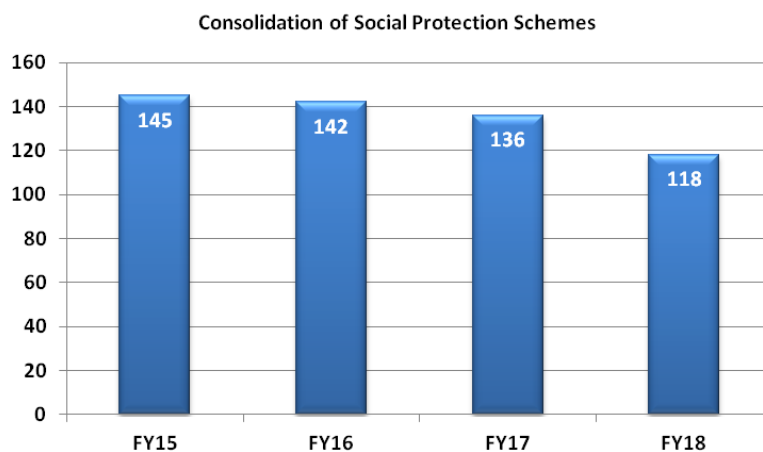
Social protection allowances have been increased in the proposed national budget of FY 2019, with the aim of eradicating poverty and reducing social exclusion. Total allocation for social security for FY 2019 is Tk. 64,656 crore, which is 2.55 percent of GDP and 13.92 percent of total proposed budget. In 2016, 28.7 percent families received social protection benefits. To increase transparency, social protection programmes have been brought to automated system. Also, a digital database of all the beneficiaries has been created in this regard. According to the MTBF of Ministry of Social Welfare (FY 2019), 19 lakh 60 thousand people with disabilities had been provided with free of cost physiotherapy, occupational therapy, hearing test, visual test, counselling, training, assisted devices and other assistance from 103 services centers of 64 districts during the last three years. In addition, self-employment opportunities were created through the provision of interest free micro-credits and vocational training to 9.52 lakh poor and vulnerable people. Moreover, 1 lakh 3 thousand children were brought under child-rearing programme and their rights were protected; 7,900 children and 6545 persons coming into contact with the legal system were re-integrated into the society through different development centers, safe homes, protection shelters and probation and after care services. Financial assistance was provided to 35 lakh elderly people, 12.65 lakh widows, deserted wives, distressed women, 8.25 lakh persons with disabilities and 80 thousand students with disabilities. Special education was provided to 640 children with disabilities through 64 schools for visually impaired children, training to 1,650 persons with disabilities through 9 training centers.

Moreover, Bangladesh National Social Welfare Council (BNSWC) distributed Tk.54.63 crore as grants among 14,152 Social Welfare Organizations. Special grants of Tk. 18.30 crore were given to 84.57 people that include the poor, the helpless, persons with disabilities. Furthermore, an amount of Tk. 19 crore was given to 38 thousand people including small tribes, tribal community, homeless persons, slum dwellers, tea-garden labourers including marginal poor people who are living below the poverty line to develop their socio-economic status. In addition, 3063 social workers were provided with training on organization management and skill development.

Programme Consolidation

One of the prime objectives of NSSS is to consolidate large numbers of schemes, often very small in sizes, into five core programmes along the life cycle risks. Although there is a long way to attain the desired consolidation, a consolidation process is in place. Numbers of schemes which were 145 in FY 2015 dropped to 118 schemes in FY 2018.

Figure 9. 2: Progress in social security scheme consolidation

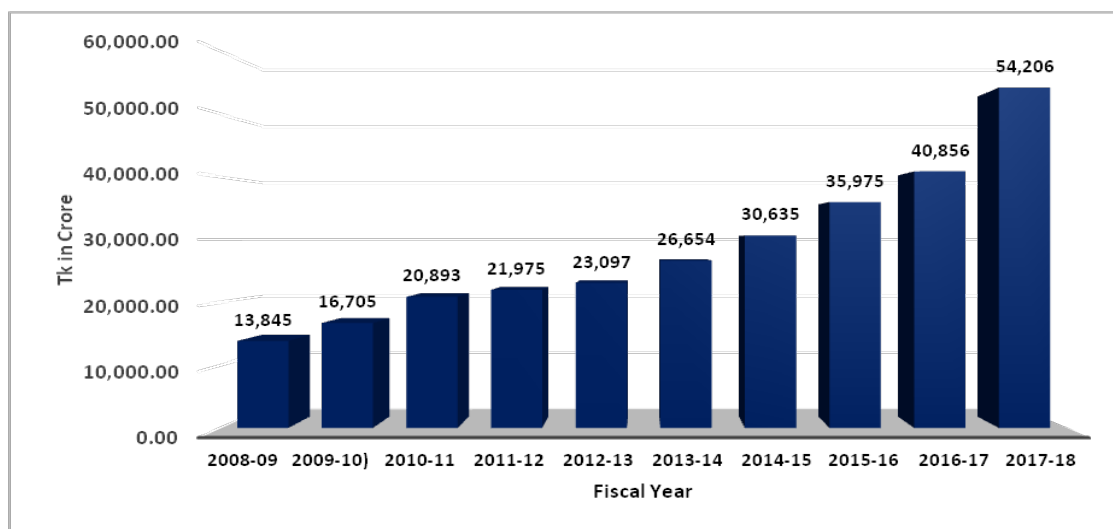


Source: Ministry of Finance

Allocation to Social Security Schemes

Another important feature is that even though the number of social security programmes has been falling, the budget allocation for social security has shown a trend of gradual rise in absolute amount– especially during the first few years of the 7th FYP. Moreover, government has been able to maintain the allocation at around 2 % of GDP and around 13 % of the national budget in past few years.

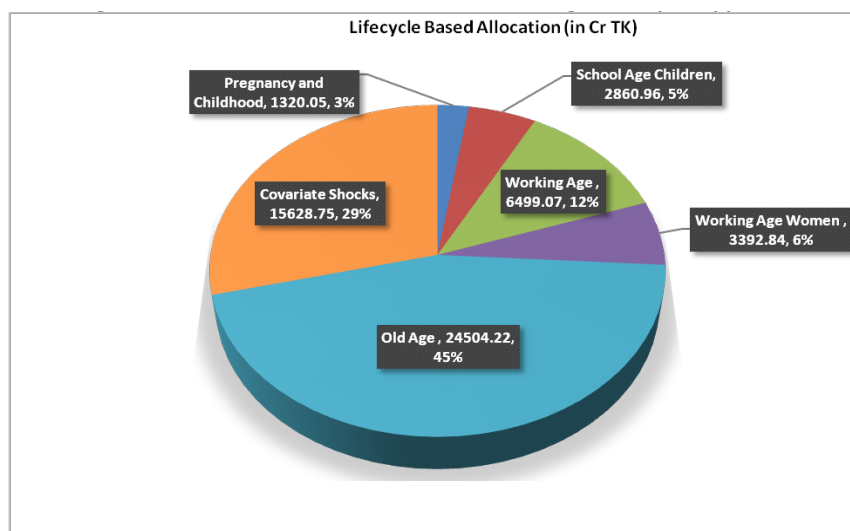
Figure 9. 3: Allocation of social security system



Consolidation and Allocation following Life Cycle Risk Approach

Resource allocation and programme consolidation of the social security schemes have been moving along the NSSS proposed life cycle risk approach. It is found that in FY 2018, allocation to life cycle risk based schemes is around 72% of the total social protection budget. Life cycle based allocation was around 50% in FY 2015 – suggesting marked improvement in FY 2018 compared to FY 2015.

Figure 9. 4: consolidation and allocation according to life cycle approach



Source: National Action Plan

National Action Plan for NSSS Implementation

The most significant development in social protection area is the development of the national action plan for implementing NSSS proposals. According to the action plan ‘an extensive process has been followed in formulation of the action plan (2016 up to 2021). The main inputs were obtained from a series of action plan workshops held at the Cabinet Division. Each session of the workshop was attended by 4-5 officials each from two ministries. In total 35 ministries/divisions participated in these workshops in 11 sessions. During the workshops, the main concept of the NSSS was discussed, followed by a hands-on exercise on the action plan template. The template was semi-structured, covering the present situation of social security programmes in comparison with the NSSS provision. The concerned officials then went back to their ministries and officially returned their approved action plans’. Annex tables 6.3 and 7.4 capture the main elements of the programme reform and institutional reforms.

Table 9. 5: Programme Reform in 2016 up to 2021

Proposed Reform		Action Plan	Ministry/ Division
A.1 Strengthening Social Security for the Children (age <1 – 18)			
A.1.1	Child Benefit	<ul style="list-style-type: none"> Submit detailed implementation plan for the Child Benefit to the Cabinet 	Ministry of Women & Children Affairs (MoWCA)
A.1.2	Primary and Secondary School Stipends	<ul style="list-style-type: none"> Submit detailed implementation plan for the scale up of the stipend programmes to the Cabinet Division 	Ministry of Primary & Mass Education (MoPME)/Ministry of Education (MoE)
A.1.3	Continuing Orphan’s and School Meals Programmes	<ul style="list-style-type: none"> Maintain ongoing programme 	Ministry of Social Welfare (MoSW)/ MoPME
A.1.4	Ensuring Child Maintenance Payment for abandoned children	<ul style="list-style-type: none"> Develop policy and start implementation, July 2016 	MoWCA
A.1.5	Strengthen Immunization, Child Healthcare, Nutrition and Water and Sanitation Programmes.	<ul style="list-style-type: none"> Take actions to strengthen supply and outreach of these programmes 	Concerned Ministries
A.2 a Strengthening Programmes for Working Age (age 19-59)			
A.2a.1	Strengthen Education and Training	Strengthen quality of education and training	MoPME/MoE/ MoEWOE
A.2a.2	Strengthen Workfare Programmes	Consolidate all workfare programmes	Ministry of Disaster Management and Relief (MoDMR)/ Local Government Division (LGD)
A.2a.3	Introducing Unemployment, Accident, Sickness and Maternity Insurance under NSIS	<ul style="list-style-type: none"> Commission study to design unemployment insurance for workers in the organized private sector; Submit Plan to Cabinet for Approval and start implementation 	Ministry of Labour & Employment (MoLE)
A.2b Strengthening Programmes for Vulnerable Women (VWB) (age 19-59)			

Proposed Reform		Action Plan	Ministry/ Division
A.2b.1	Consolidate into one VWB programme on a cash basis	Submit detailed implementation plan for Vulnerable Women's Benefit (VWB) to the Cabinet Division	MoWCA
A.2b.2	Provision of Childcare across all Formal & Informal Employment	All government offices and formal private enterprises have childcare facilities;	MoWCA
A.2b.3	Maternal health care	Continue and prepare expansion plan	Ministry of Health and Family Welfare (MoHFW)
A.2b.4	Training programme	Continue training under VGD	MoWCA
A.3 Comprehensive Pension System for the Elderly			
A.3.1	Old Age Allowance (age 60 +)	<ul style="list-style-type: none"> Expand the Old Age Allowance programme 	MoSW
A.3.2	Government Service Pension	<ul style="list-style-type: none"> Submit detailed implementation plan to Cabinet 	Financial Institutions Division (FID)/ Finance Division (FD)
A.3.3	The National Social Insurance Scheme (NSIS)	<ul style="list-style-type: none"> Initiate study to determine the viability of a NSIS; Recommend options for a NSIS 	Financial Institutions Division/ FD
A.3.4	Private Voluntary Pensions	<ul style="list-style-type: none"> Initiate study to determine the viability of a Pension Regulatory Authority 	Financial Institutions Division/ FD
A.4 Programmes for People with disabilities			
A.4.1	Strengthening the System of Social Security for People with disability	<ul style="list-style-type: none"> Submit detailed implementation plan for the Child Dependency Benefit and the Working Age Disability Benefit to Cabinet; Implement programme 	MoSW
A.5 Programmes for Urban Poor			
A.5.1	Strengthening the Social Security System for the Urban Poor	<ul style="list-style-type: none"> Ensure urban poor households have similar access as rural poor households 	Concerned line Ministries/ LGD/ Finance Division
A.6 Programmes for Food Security			
A.6.1	Consolidate and Reform Food Security Type Programmes	<ul style="list-style-type: none"> Consolidate food transfer programmes; Coordinate with food stocking policy; Food distribution for disaster relief to continue as a disaster relief programme 	Ministry of Food / MoDMR
A.7 Programme Consolidation			
A.7.1	Consolidate small schemes	<ul style="list-style-type: none"> Retain schemes that are innovative and can be scaled up 	Line Ministries/ GED

Chapter Ten
Climate Change and Environmental
Sustainability

Introduction

Climate variability and change; its impacts and vulnerabilities are growing concern worldwide. Climate change has brought about severe and possibly permanent alterations to our planet's geological, biological and ecological systems. Bangladesh is one of the largest deltas in the world which is highly vulnerable to natural disasters because of its geographical location, flat and low-lying landscape, population density, poverty, illiteracy, lack of institutional setup etc. Besides, World Risk Report 2016, identified Bangladesh as the 6th most natural disaster-prone country out of 173 countries in the world⁷. The 2011 Global Assessment Report of the UNISDR revealed that in terms of number of people exposed to flood, cyclone and sea surge, Bangladesh is ranked first out of 162 countries⁸. Therefore, the nexus of environment, climate change and disaster management is becoming an increasingly important policy issue for Bangladesh. A more focused and results oriented strategy combining elements of policies, regulations, incentives, investment and capacity building are needed.

Bangladesh has shown success in developing national level scientific expertise and government level actions on the environmental sustainability issues. Further efforts are needed to build the resilience of the people and minimize the adverse impacts of natural disasters on people's livelihood. A major challenge is the management of the river system along with the optimum use of available water resources. Long term planning and substantial public investment will be necessary in this respect. The formulation of the Bangladesh Delta Plan 2100 and its timely implementation during the Seventh Five Year Plan and beyond is a major long-term policy and institutional initiative for building resilience and reducing the effects of Environmental Change. There are lot of landmark initiatives has been taken by the Hon'ble Prime Minister Sheikh Hasina. In recognition of her strong leadership in implementing these initiatives for combating unseen and unprecedented natural hazards and safeguarding the environment, the UN honored the Hon'ble Prime Minister with the highest Award on Environment, "Champions of the Earth" in 2015 under the Policy Leadership Category.

Environmental Change Management: 7FYP Targets

The main objectives relating to climate change, environment and disaster management under the 7th FYP can be summarized under the following categories:

To attain good governance in environmental sustainability

1. Ensure appropriate environment management system for sustainable development Enhance enforcement for pollution control
2. Enhance, preserve, conservation of natural resources

To eradicate extreme poverty and achieve national food security

1. Promote sustainable environment management in pursuit of quality livelihood
2. Develop 'climate-smart food systems', ensuring that climate threats to other elements of food systems beyond agriculture, such as storage, distribution and access are taken into consideration.
3. Ensure effective environmental management activities by allowing inclusive bottom-up participation in adaptation decision making, especially at the community level.
4. Mainstream poverty-environment-climate-disaster nexus in the project design phase, budgetary process, project implementation and monitoring processes.

7 World Risk Report 2016: United Nations University (www.WorldRiskReport.org)

8 The 2011 Global Assessment Report on Disaster Risk Reduction (GAR11): UNISDR

5. Promote multiple land use technology like agro-forestry to ensure increased productivity and supplement agricultural production;
6. Continue and expand people-oriented afforestation Programme for poverty alleviation and increased employment opportunities including women;
7. Promote participatory, community-based environmental resource management and environmental protection (considering the access for the poor, equity, as well as gender issues) along with community-based adaptation.
8. Design skill-focused training for resilient agriculture, industry, infrastructure, trade and other fields on principles of practical resilience.
9. Initiate research to understand how resilience principles could be used to improve education at different levels in Bangladesh. Systems thinking allows for inter –and trans-disciplinary learning around multi-dimensional societal issues like environmental hazards, climate change mitigation and adaptation, poverty, gender, equity and resilience-based learning can help lead to a more resilient country to multiple drivers (economic, climate and others).

To address environmental health

1. Build capacity in the area of environmental health through both public and private sectors.
2. Ensure Proper waste management system in place for good environmental health.

To ensure cities are sustainable and more efficient, with development following appropriately structured plans

1. Promote activities for cleaner and greener cities
2. Promote environment friendly activities in development of interventions.
3. Strengthen the capability of public and private sectors to manage environmental concerns.
4. Improve major cities through monitoring and prevention of environmental hazards
5. Ensure restoration of natural water bodies and other environmental resources
6. Explore the opportunities for environmentally friendly artificial groundwater recharge in major cities.
7. Promote low emissions mass transport options and establish Environmentally Sustainable Transport (EST) in the country.
8. Implement of Roadmap to introduce low Sulphur diesel.
9. Institutionalize of National Action Plan of Short-Lived Climate Pollutants (SNAP)
10. Incorporate and introduce Green Building Code in our National Building Code to have energy efficient building/green building to address climate change.

To establish the quality of life for the rural people of all regions

1. Preserve, protect and develop the natural resource base and biodiversity.
2. Create public awareness, in order to participate in environmental activities.
3. Conservation and manage watershed and soil.

To preserve agricultural land and to ensure production growth for food security with minimum environmental degradation

1. Undertake research and development for innovating technology in national perspective and application of modern technology
2. Promote environment friendly alternative technology for fertilizer and pesticides use and grain and food preservation
3. Ensure conservation of biodiversity and its sustainable utilization
4. Preserve, protect and develop the natural resource base
5. Develop coastal green belt with mangrove species

To hold water of wetlands including jalmohals and rivers in dry season

1. Preserve, protect and develop the natural wetlands and water bodies
2. Conserve and protect the eco-system for bio-diversity of wetlands
3. Half/reduce rate of salinity intrusion and mitigate impacts of salinity on human health and agroecosystem production.
4. Ensure that dry season groundwater levels do not fall below 2005 levels.

To meet national air and water quality standards

1. Monitor, control and prevent environmental pollution and degradation related to air, water and soil
2. Undertake environmental assessment
3. Implementation of emission, effluent and waste management strategy
4. Introduce low-sulphur diesel and compatible standards vehicles.
5. Introduce energy efficient affordable technology.

To achieve tree cover over 20% of the land surface (with tree density > 70%) and ecologically healthy native forests are restored and protected in all public forest lands (about 16% of land)

1. Ensure greater contribution of the forestry sector in the economic development
2. Strengthen forestry extension activities to transfer improved technology and research information to end-users, e.g., local people and private homesteads
3. Expand forest resources, make the forests adequately productive
4. Conserve Sundarbans mangrove forest without any further deforestation and forest degradation.
5. Develop institutional capabilities including human resource and involve local people as much as possible in forestry activities
6. Develop capacity of national government and regional/local offices to map and analyse land use through data-driven approaches/GIS
7. Further promote the people oriented programmes covering forestry on marginal lands, char lands, road sides, etc.
8. Ensure no forest land shall be converted for non-forest use.
9. Ensure no commercial plantation in protected forest area where only native species for enrichment and restoration purposes can be undertaken.

10. Ensure all PA management shall be inclusive of and respectful to the rights of the forest dwellers.
11. Consider out-sourcing forest protection measures, utilizing community members on the ground as forest stewards.

To ensure no new extinctions of globally and nationally threatened species

1. Conserve and protect the eco-system for bio-diversity and overall environmental stability
2. Initiate actions with regard to obligations under international treaties and conventions regarding conservation of biodiversity
3. Promote cooperation with regional and international institutions/organizations to address local, regional, and global biodiversity problems.

To meet energy demands of development through a low carbon strategy

1. Conserve non-renewable resources and sustaining auto and eco-generation of renewable resources.
2. Mass initiative to be taken under Clean Development Mechanism and REDD.

To reduce potential economic losses due to Climate Change (particularly from floods, drought and salinity)

1. Increase facilities for education, need-oriented co-oriented research and experimental works.
2. Promote appropriate environment management system for mitigation and adaptation to climate change and climate vulnerability.
3. Promote implementation of Bangladesh Delta Plan 2100 strategies and investment plans.
4. Introduce climate proofing of structures for the areas of climate risk.

Overall Progress of the Key Objectives under 7FYP

It is accepted that the targets are sundry and longer-term in nature that will require continuous effort. A more limited set of quantitative targets were set to measure the performance of the Seventh. Progress against these targets is indicated in Table 10.1.

As can be seen, a colossal problem for performance assessment against the quantitative indicators is the lack of adequate and timely information. This is a shortcoming and also indicative of weak capacity in the Ministry of Environment, Forest and Climate Change.

Table 10. 1: Performance Indicators for Environment and Forest Ministry/Sector

Specific sectoral performance indicators	FY 2014	Base Year	7 th FYP	
		FY 2015	FY 2016	FY 2017
Consumption of ozone depleting H-CFCs (Ozone Depleting Potential (ODP))	-	65.34	-	-
Percentage of land covered by forestry with 70% tree	-	15	-	-
CO2 emissions (tons per capita)	-	0.38	-	-
Percentage of (a) coastal and (b) marine areas that are protected	6.612	6.612	6.612	6.612

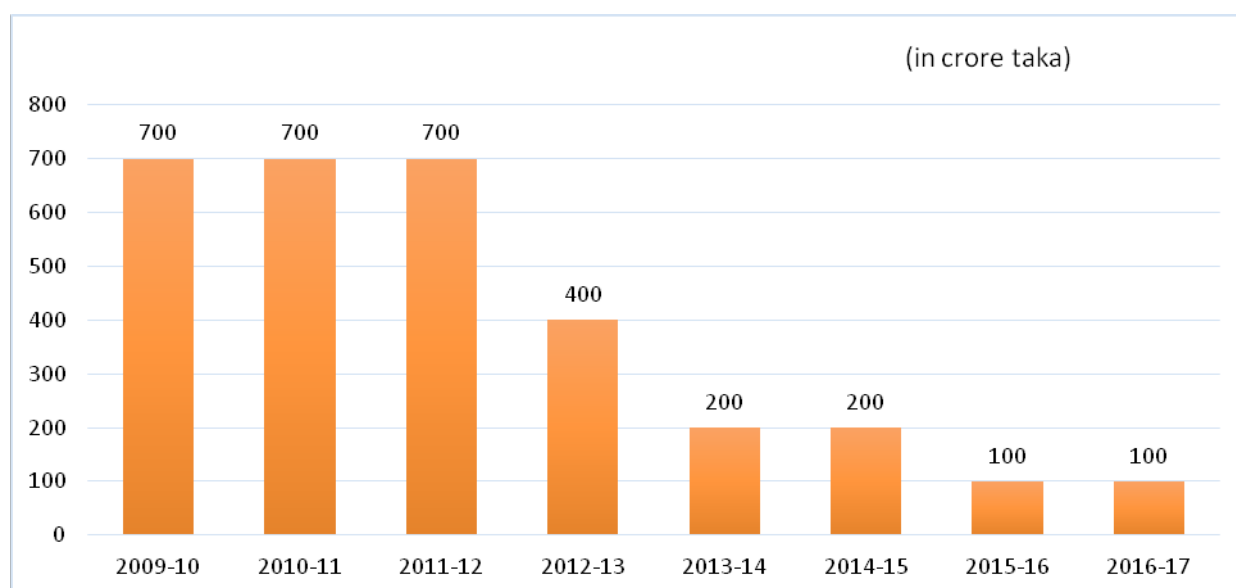
Specific sectoral performance indicators	FY 2014	Base Year	7 th FYP	
		FY 2015	FY 2016	FY 2017
Percentage of wetland and natural sanctuaries maintained	0.012	0.025	0.004	0.003
Percentage of forests that are protected	2.06	2.06	2.06	3.09
Mean urban air pollution of particulate matter PM2.5 in µg/m ³	87.035	89.393	-	-
No. of usable cyclone shelters	-	-	-	-
Number of rural communities with disaster resilient habitats and communities' assets	-	-	-	-

Source: Proposed Results Framework, GED; Ministry of Environment, Forest and Climate Change

Environmental Sustainability

In 2009-10 the Government of Bangladesh has set up the Bangladesh Climate Change Trust Fund (BCCTF) under the Ministry of Environment, Forest and Climate Change to finance adaptation projects from its own resources. The intention behind setting up the BCCTF was to finance projects which improve climate resilience of the nation in key sectors as identified in the Bangladesh Climate Change Strategic Action Plan (BCCSAP). The other objective was to reduce the gestation period of the adaptation projects. A Board of Trustees (BoT) is aided by a technical committee which recommends projects from sector ministries and agencies of the government. Between 2009-10 and the 2016-17 fiscal year, a total of BDT 3,100 crore taka (US\$400 million approximately) has been allocated to BCCTF.

Figure 10. 1: Amount Allocated by GoB to BCCTF



Source: Bangladesh Climate Change Strategic Action Plan

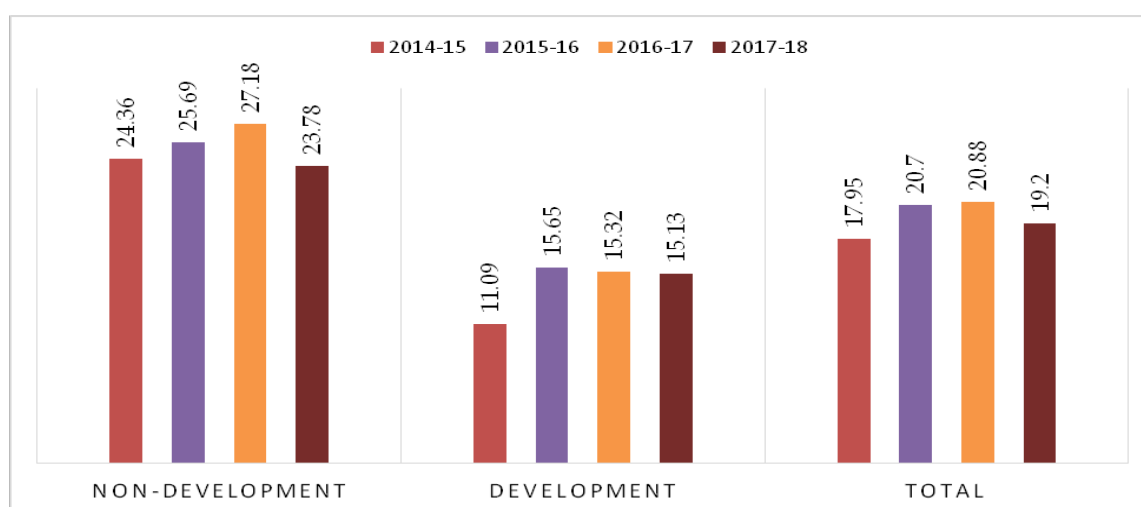
Implementation status and results

From an institutional perspective, environmental policy, laws and regulations of the GoB are managed through the Ministry of Environment, Forest and Climate Change. The Five-Year Plan, initiated by the Bangladesh Planning Commission, activated the National Environmental Council (NEC), a cross-sectoral body headed by the Ministry of Environment, Forest and Climate Change. Ensuring habitable and sustainable environment for the present and the future generations of the country is the mission of the Ministry of Environment, Forest and Climate Change. Its two major functions amply illustrate its role as the lead ministry of the government for protection, conservation and improvement of the environment and its quality, and control of environmental pollution and to undertake adaptation and implementation of appropriate clauses contained in different regional and international conventions, agreements, and protocols relating to environment, forestry and wild life. The Medium-Term Strategic Objectives like mitigating the adverse effects of climate change, conservation and sustainable management of forest resources, control of pollution and conservation of bio-diversity have direct link with CC relevant criteria. The Ministry of Environment, Forest and Climate Change selected following priority areas/programmes in the Medium-term Budget Framework of 2017-18 in line with Medium-Term Strategic Objectives described above. These are:

- Tackling the risks arising from climate change;
- Conservation and sustainable management of forest;
- Control of pollution;
- Conservation of bio-diversity.

All the projects undertaken by this ministry are CC relevant. Of these projects, Afforestation in five Coastal Districts of Bangladesh, Char Development and Settlement Project-4, Integrating community-based adaptation into Afforestation and Reforestation in Bangladesh and Climate Resilient Ecosystem and Livelihoods (CREL) belong to the category of Strongly Relevant criterion of climate dimension. Other projects are small but they are also in the margin of ‘Strongly Climate Relevant’.

Figure 10. 2: Trend of Climate Relevance in Selected Ministry Budgets



Source: Finance Division, Ministry of Finance

The Figure 10.2 illustrates the trend of CC relevant allocation since FY 2014-15 as part of both development and non-development budget of the selected ministries. The total CC relevant percentage shows a slight increase from FY 2014-15 to FY 2017-18 by 1.25 percentage point. The development and non-development budget also followed the similar trend across the years.

Table 10. 2: Trend of Climate Relevance in the Ministry of Environment, Forest and Climate Change Budget

Budget Description	Annual Budget (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Non-Development Budget	5,359,700	14,945,186	5,623,115	5,163,082
climate relevant allocation	2,091,353	2,290,077	2,146,460	2,756,338
as % of non-development	39.02	15.32	38.17	54.87
Development Budget	5,845,900	3,562,900	4,214,600	4,197,600
climate relevant allocation	2,143,625	1,599,915	1,927,755	1,385,889
as % of development budget	36.67	44.90	45.74	42.05
Total Budget	11,205,600	18,508,086	9,837,715	9,360,682
climate relevant allocation	4,234,978	3,889,992	4,074,215	4,142,226
as % of total budget	37.79	21.02	41.41	44.25

Source: Finance Division, Ministry of Finance

Table 10.2 shows the trend of climate relevance in the budget for the Ministry Environment and Forests. Total climate relevant budget remained broadly stable across the years under review. Total CC relevant allocation remained almost same across the years with a decrease in FY 2016-17.

Table 10. 3: Allocation in BCCSAP Thematic Areas in Ministry of Environment, Forest and Climate Change Budget

BCCSAP Themes	CC relevant Allocation (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Food Security Social Protection and Health	229,240	254,480	246,020	409,661
% of total CC relevant allocation	5.41	6.54	6.04	9.89
% of Ministry budget	2.05	1.37	2.50	4.38
Comprehensive Disaster Management	344,605	472,800	500,995	607,319
% of total CC relevant allocation	8.14	12.15	12.30	14.66
% Ministry budget	3.08	2.55	5.09	6.49
Climate Resilient Infrastructure	199,380	171,370	192,090	289,972
% of total CC relevant allocation	4.71	4.41	4.71	7.00
% of Ministry budget	1.78	0.93	1.95	3.10
Research and Knowledge Management	651,581	376,329	482,710	457,931

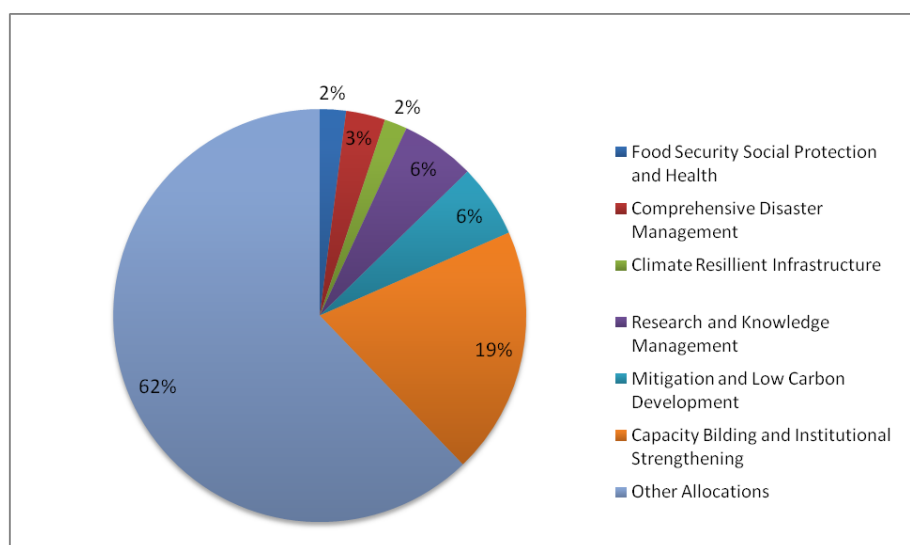
BCCSAP Themes	CC relevant Allocation (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
% of total CC relevant allocation	15.39	9.67	11.85	11.06
% of Ministry budget	5.81	2.03	4.91	4.89
Mitigation and Low Carbon Development	640,050	581,405	605,870	589,057
% of total CC relevant allocation	15.11	14.95	14.87	14.22
% of Ministry budget	5.71	3.14	6.16	6.29
Capacity Building and Institutional Strengthening	2,170,123	2,033,608	2,046,531	1,788,288
% of total CC relevant allocation	51.24	52.28	50.23	43.17
% of Ministry budget	19.37	10.99	20.80	19.10
Total CC Relevance (Tk)	4,234,978	3,889,992	4,074,215	4,142,226
% of Total Budget	37.79	21.02	41.41	44.25

Source: Finance Division, Ministry of Finance

Analysis of the table 10.3 shows that the maximum amount has been allocated to the thematic area of Capacity Building and Institutional Strengthening, which is 19.37% of the ministry budget in FY 2017-18. Since FY 2014-15 it remained around the same percentage of total ministry budget with an exception in FY 2016-17; 19.10% in FY 2014-15, 20.80% in 2015-16 and 10.99% in FY 2016-17. Research and Knowledge Management thematic area accounts for 5.81% of FY 2017-18 ministry budget. In FY 2016-17 it was 2.03% of the total ministry budget.

Figure 3 illustrates percentage of CC allocation in different thematic areas in FY 2017-18. Out of the CC relevant allocation, climate related capacity building and institutional strengthening received the highest allocation 19.37% of Ministry budget. The Research and Knowledge Management received 5.81% of Ministry budget. It mentioned that the Mitigation and Low Carbon Development received 5.71% of the total ministry budget.

Figure 10. 3: Climate Relevance in Ministry of Environment, Forest and Climate Change Budget for the FY 2017-18



Source: Finance Division, Ministry of Finance

Climate Change under 7FYP

Bangladesh is the first country among the climate vulnerable countries to come out with a national strategy with a clear vision to effectively deal with climate induced challenges. The Bangladesh Climate Change Strategy and Action Plan (BCCSAP) identified 44 programmes under six thematic areas that demand proactive action from the GoB to better prepare Bangladesh to deal with the challenges introduced by climate change. The thematic areas are: food security, social protection and health; comprehensive disaster management; infrastructure; mitigation and low carbon development; research and knowledge management; capacity building and institutional strengthening.

i. Climate Change Adaptation (CCA)

Recognizing the uncertainties and inadequacies of international climate adaptation finance from both multilateral and bilateral sources, the Government decided to establish the Bangladesh Climate Change Trust Fund (BCCTF). To provide BCCTF a legal footing, Climate Change Trust Act 2010 was enacted. The BCCTF was created in FY 2009-10 from the Government's own revenue sources to combat climate change impacts as well as to implement Bangladesh Climate Change Strategy and Action Plan (BCCSAP) 2009. Up to FY 2016-17, BCCTF received a total allocation of Tk. 3100 crore to implement the CC agenda of both public and private sectors. Up to April 2017, a total of 487 projects under BCCTF have been approved of which 424 belong to government ministries/divisions while the remaining 63 are being implemented by different research organization, Public Universities and different NGOs under the supervision of Palli Karma Sahayak Foundation (PKSF).

Table 10. 4: Projects and Allocation from BCCTF (amount in crore taka)

SL No.	Implementing Ministries	Total Estimated Allocation	Fund Release up to Jan, 2017	Approved projects	Implemented Projects	% Total Allocation
1	Ministry of Water Resource	1136	609	135	26	44
2	Ministry of Local Government, Rural Development and Co-operative	668	277	184	23	25
3	Ministry of Environment, Forest and Climate Change	328	223	42	14	13
4	Ministry of Agriculture	117	95	16	7	5
5	Ministry of Disaster and Relief	120	106	7	6	5
6	Other Ministries	270	143	40	17	9
Total		2639	1453	424	93	100

Source: Bangladesh Climate Change Trust Fund

Table 10.4 presents a summary of progress of projects undertaken by different ministries. It is observed from the Table 10.4 that the Ministry of Water Resources is the highest recipient of allocation (Tk. 1136 crore) having 135 approved projects followed by the Ministry of Local Government, Rural Development and Cooperatives which has taken 184 approved projects with an allocation of Tk. 668 crore. An analysis of the allocation pattern of approved projects per BCCSAP themes reveals that Infrastructure Sector accounts for 69% of total allocation which is the highest among the allocations for other sectors. Research and Knowledge Management Sector also has significant weight. BCCT has undertaken research projects with a total amount of TK. 108.80 crore which is 4% of total project investment. These projects are being implemented by different research organizations and public universities. Many of these research initiatives have received national and international recognition and awards.

Financing by BCCTF, main work which are completed till 2017 are construction of 16.4km dam of coastal area, construction of 7218 cyclone tolerant houses, 352.12 km dam, 872.86 km canal excavation, construction of 40.871 km drain, establishment of 2849 deep tube well, 12000 floating vegetable garden and a community radio station. Besides, this trust fund is also financing for climate change risk avoiding project and other adaptation activities.

ii. Implementation Strategy of the Climate Change Resilience

Through the implementation of these projects so far (from the FY 2010 to FY 2017), 16.4 kilometers of coastal sea dyke and 7,218 cyclone resilient houses have been constructed in the cyclone affected areas. About 352.12 kilometers of embankments and 157 kilometers of protective work have been completed to save the people from river bank erosion. For Agriculture management and irrigation, 872 kilometers of canals have been excavated/re-excavated and 65 water control infrastructures including regulators/sluice gates have been constructed. Besides, 263 kilometers of drainage system have been constructed in the urban areas to reduce water logging.

To provide pure safe drinking water, 2859 deep tube wells, 30 pond-sand-filters (PSF) and 50 water treatment plants have been installed. Besides, 1061 water sources and 55 rain water reservoirs have been established. As part of disaster management, early forecasting agro-met stations have been set up in 4 upazilas. 4500 metric tons of stress tolerant seeds have been produced and distributed.

For biodiversity conservation and carbon mitigation 144.2 million trees have been planted in coastal area and 5,121 hectares of land have been brought under afforestation. To minimize the use of firewood, 12,813 (twelve thousand eight hundred thirteen) biogas plants have been installed and 5, 28,000 improved cook-stoves have been distributed. As many as 17,145 solar home systems have been installed in the remote off-grid areas.

As part of recognition of the successes achieved so far by Bangladesh Climate Change Trust, a project titled “Re-vegetation of Madhupur Forest through Rehabilitation of Forest Dependent Local and Ethnic Communities” has received ‘Daily Star Climate Champion Award, 2012’ and another project titled “Biogas and improved stove expansion” has received ‘Environment Award, 2013’. For the invention of salinity tolerant crops Bangladesh has drawn the attention of international community. This project is being implemented by ‘Bangladesh Institute of Nuclear Agriculture (BINA) and received ‘Environment Award 2015’. In a side event of COP 21 held in Paris in November 2015, the pioneering role of Bangladesh in addressing challenges of climate change was profusely appreciated and Bangladesh signed the historical Paris agreement and submitted its NDC (National Determined Contribution) to reduce greenhouse gas emission.

However, to combat climate change risk, ministry of forest implements forestry growth and prevention of forest degradation under the” Climate Resilient Participatory Afforestation and Reforestation” project. Also, under the project titled “Community Based Adaptation to Climate Change through Coastal Afforestation in Bangladesh” the people of coastal area have been encouraged to take necessary information to tackle the risk of climate change.

iii. Climate Change Mitigation (CCM)

The Clean Development Mechanism (CDM) is one of the flexible mechanisms from the climate change mitigation point of view defined in the Kyoto Protocol (IPCC, 2007) where Bangladesh has succeeded very. It lacked robust institutional mechanisms to submit emissions reduction projects to the UNFCCC in generating Certified Emission Reduction (CER).

Besides, Nationally Appropriate Mitigation Action (NAMA) Facility is a multi-donor programme that supports the implementation of Nationally Appropriate Mitigation Actions (NAMAs) that induce transformational change towards a low-carbon development pathway. In the NAMA Facility's fourth Call for NSPs, national ministries and other legal entities were invited to submit NSP outlines for receiving support for their NAMA implementation. NAMAs are considered to be voluntary climate change mitigation measures by emerging economies and developing countries to be embedded in their national development plans. By moving countries towards a low-carbon development trajectory, NAMAs have the potential to significantly contribute to global efforts to reduce greenhouse gas (GHG) emissions. Bangladesh being a LDC could not avail the NAMA fund in consort to the INDC. Bangladesh did not submit any project till the third call.

Reducing emissions from deforestation and forest degradation (REDD+) is another effective mechanism developed by Parties to the United Nations Framework Convention on Climate Change (UNFCCC). It creates a financial value for the carbon stored in forests by offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. Developing countries would receive results-based payments for actions. Bangladesh, meanwhile, with support of UNDP and FAO has already formulated the REDD readiness roadmap, but it is yet to join the Forest Carbon Partnership Facility to have access to REDD+ Readiness Fund.

Some current initiatives for climate change mitigation are;

- a) The project proposal has been sent to the "Fund Board" to funding the project titled "Adaptation Initiative for Climate Vulnerable Offshore Small Islands and Riverine Char Lands in Bangladesh "related to the development of capacities for the people.
- b) Five proposal have been forwarded to the Technology Centre Network (CTCN) for achieving sustainable climate tolerance technology or currently under consideration.
- c) The projects of 13 proposal have been forwarded to CDM executive Board under consideration of CDM.
- d) Four energy efficient technologies have already been set up under joint crediting mechanism in Bangladesh.
- e) Bangladesh as a member of short-lived climate pollutants (SLCP), it is implementing the implementation of 16 action plan.

iv. Air pollution control activities

Since the implementation of set the brick and lay down the kiln developing(control) law is implemented among the traditional methods of brickbats ,65.13% of this brick has been transformed into environmentally-friendly modern technology. In the fiscal year 2016-17, 65 mobile courts were executed against the illegal brick-operators and fined 95 lakh 91 thousand taka. To reduce the air pollution, Clean Air Sustainable Environment (CASE) project is already taking place in Bangladesh. The World Bank has financed this project and the amount is 486.56 crore Taka. At present 11 air all-time air quality examination experimental stations are working all over the country. Furthermore, the initiative for establishing another 5-air quality station is underway. In 2016-2017, BCCTF and India financed 1200 entrepreneurs for disseminating friendly-cooking machines and 2,20,000 friendly-cooking machines have been prepared

v. Water pollution control activities

Environment department has collected 328 samples and analyzed characteristics of both ground and surface water. Currently the department is also monitoring the water quality in 66 different places of 28 rivers.

vi. Industry pollution control activities

In the fiscal year of 2016-2017, total 318 industries were equipped with Effluent Treatment Plants (ETP).

vii. Sound pollution control activities

To increase the awareness, total 11237 persons have given training regarding sound pollution. Under the partnership project, activities have been considered in 70 different places of Dhaka and 206 different places of other divisions to reduce the degree of sound pollution. Integrated and partnership programs have been initiated by the Environment Department in 2015-2017. Five TV spots divided into two sections have been telecasted in eleven TV channels for total 620 minutes to aware citizens ranging from drivers, siren user, vehicle owners etc.

viii. Technology transfer

To increase the speed of the technology transfer in developing countries beside developed countries, Climate Technology Center and Network (CTCN) has been established under the UNFCCC. Primarily five adaptation and mitigation technologies are being pointed out by CTCN. Among these five technologies, three are selected for climate change mitigation. These are as follows,

- a) For coastal area of Bangladesh, technology for mitigation & assessment of climate change impact on Geo-morphology (Sea level rise/fall, Salinity, Sedimentation etc.)
- b) Technical assistance for purification of saline water a household level and technology for low cost durable housing in the coastal areas of Bangladesh.
- c) Initiating a certificate course for energy manager as well as energy auditors in Bangladesh.

However, through the Joint Crediting Mechanism (JCM) initiative taken by the government of Japan, Bangladesh is acquiring assistance from Japan regarding low carbon emission technologies, goods, service and infrastructures. Recently, the process of transferring two advanced energy-saving technology has been completed.

- 1) Energy saving by installation of High-efficiency Loom at weaving factory of Hamid Fabrics Limited, Bangladesh
- 2) Installation of High-efficiency Centrifugal Chiller for Air Conditioning System in clothing tag factory of NEXT Accessories Ltd, Rupganj, Narayanganj.

ix. Forestry Activity

At present, total area of forest land is approximately 26,00,000 hectares in Bangladesh. The amount is equal to 17.62% of the country's total magnitude. Forest Department of Bangladesh controls 16,00,000 hectares of forest land which is 10.84% of the country's total magnitude. In the fiscal year of 2016-2017, amount preserved forest land was 2,760.80 hectares. On the other hand, in the same fiscal year, the amount of social forestry was 5,106.46 hectares and 1,324.45 kilometers. The number of people benefited from the forest land was 18,835 in which 14,527 were male and 4,308 were female. Total amount of distributed profit was 24,54,28,829 Taka. Under different projects, 4,591 hectares of block garden, 1,200 kilometers of strip garden were prepared in the fiscal year of 2016-2017. 3.30 lakh plants are implanted as well.

Notable Achievements

- Carbon survey has been completed in 15 preserved forest areas including the Sundarbans. With the collected data from the survey, the amount of carbon which exists in these forests has been estimated.
- 18 thousand and 835 beneficiaries have been provided a total 28 crores 58 lakh 28 thousand and 829 Taka under the scheme of social forestry in the fiscal year of 2016-2017.
- 1400 lakh Taka has been distributed to 6,000 families to help them with alternative livelihood to reduce their dependence on the forests. The whole process has been carried out under Climate Resilient Participatory Afforestation and Reforestation project.
- To implement wildlife (preserve and safety) law 2012 adequately, several rules (21 rules) formulated as drafts.
- National Conservation Policy 2016-31 draft has been completed to ensure the sustainable use of natural resources.
- For the first time, number of tigers has been estimated with the camera trapping technique.
- Number of crocodile and elephants has been estimated
- Wildlife conservation master plan 2015-35 has been formulated
- 12 management plans have been formulated for conservation
- To stop wildlife smuggling, South Asia of Wildlife Enforcement Network (SAWEN) has been approved by Bangladesh and the third conference has taken place in Bangladesh as well.

Enforcement Campaign for Environmental Pollution Control

To prevent environmental degradation and environmental pollution, the Department of Environment started Enforcement Program against pollutants from 13 July 2010. Figure 10.4 and 10.5 shows the enforcement program during 2016-17 fiscal year.

Figure 10.4: Institutional Enforcement Campaign in FY 2016-17

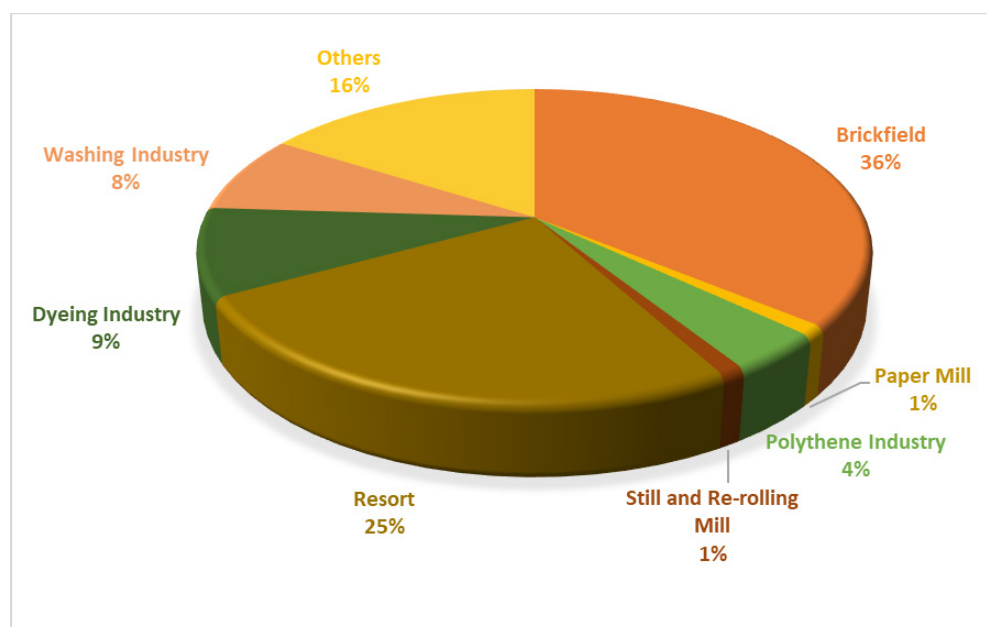
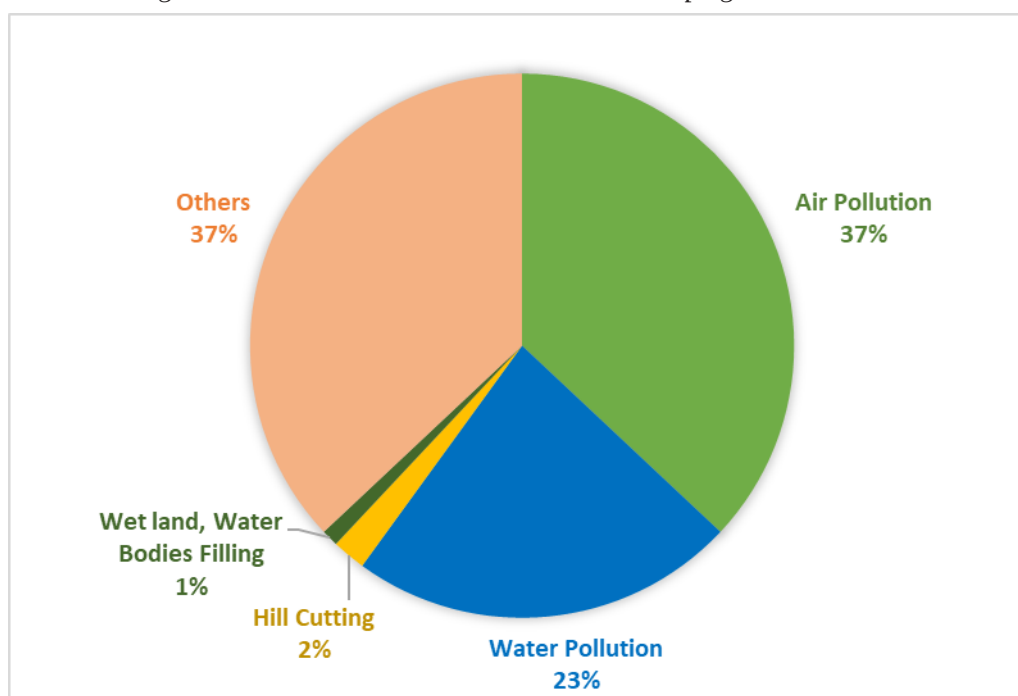


Figure 20.5: Pollution Based Enforcement Campaign in FY 2016-17



Disaster Management

The Ministry of Disaster Management and Relief (MoDMR) aims at mitigating the risks of the people, especially the poor and vulnerable, during disasters by strengthening the overall capacity of disaster management and establish an efficient and capable emergency disaster response system to face large scale disasters. Major functions of the Ministry include preparation of disaster risk reduction plan, taking up activities for training and research, coordination, monitoring and evaluation among local, regional and international development partners. Strategic objectives described in the MBF precisely define the functions. Two of the strategic objectives with direct link to CC relevance criteria are:

- Implementation of risk reduction and climate change adaptation programmes;
- Identification of internal risks and reducing loss of lives and properties through early warning.

Two on-going projects, viz., Construction of Multipurpose Cyclone Shelters in Coastal Areas and Construction of Flood Shelter in Flood Prone Areas across the Country, fall within the category of strong CC relevance. Similarly, Cyclone Preparedness Programme (CPP) with Tk. 80.2 crore allocations in FY 2017-18 belongs to the Strongly Relevant category, while Employment Scheme for Extremely Poor People project belongs to the significantly relevant category. Urban Resilience Project and Procurement of Rescue Equipment fall within the category of somewhat relevant. Together all these projects and programmes have been grouped under Comprehensive Disaster Management.

Table 10. 5: Trend of Climate Relevance in Disaster Management and Relief Budget

Budget Description	Annual Budget (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Non-Development Budget	58,668,278	54,804,977	51,362,542	47,402,189

Budget Description	Annual Budget (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
climate relevant allocation	25,496,734	24,068,261	22,596,576	17,749,560
as % of non-development	43.46	44.51	43.99	47.57
Development Budget	29,863,000	34,665,732	26,346,224	21,175,822
climate relevant allocation	12,485,285	14,517,646	8,689,178	2,498,802
as % of development budget	41.81	41.88	32.98	26.75
Total Budget	88,531,278	89,470,709	77,708,766	68,578,011
climate relevant allocation	37,982,019	38,585,907	31,285,755	20,248,363
as % of total budget	42.90	43.13	40.26	29.53

Source: Finance Division, Ministry of Finance

Table 10.5 shows that the climate relevant allocation against total budget had a significant rise between FY2014-15 to FY 2015-16. The amount allocated to CC relevant themes was Tk. 2,024 crore in FY 2014-15, and it stood at Tk. 3,798 crore in FY 2017-18. Since FY 2015-16, more than 40% of the total budget has been allocated to CC relevant activities.

Table 10. 6: Allocation in BCCSAP Thematic Areas in Ministry of Disaster Management Budget

BCCSAP Themes	CC relevant Allocation (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Food Security Social Protection and Health	6,600,000	6,600,000	6,000,000	5,962,296
% of total CC relevant allocation	17.38	17.10	19.18	29.45
% of Ministry budget	7.45	7.38	7.72	8.69
Comprehensive Disaster Management	19,490,651	16,793,367	18,511,267	12,622,088
% of total CC relevant allocation	51.32	43.52	59.17	62.34
% Ministry budget	22.02	18.77	23.82	18.41
Climate Resilient Infrastructure	10,853,000	14,094,946	5,937,488	1,289,493
% of total CC relevant allocation	28.57	36.53	18.98	6.37
% of Ministry budget	12.26	15.75	7.64	1.88
Research and Knowledge Management	170,290	183,541	149,331	86,517
% of total CC relevant allocation	0.45	0.48	0.48	0.43
% of Ministry budget	0.19	0.21	0.19	0.13
Mitigation and Low Carbon Development	-	-	-	-
% of total CC relevant allocation	-	-	-	-
% of Ministry budget	-	-	-	-

BCCSAP Themes	CC relevant Allocation (amount in thousand taka)			
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Capacity Building and Institutional Strengthening	868,079	914,052	687,669	287,969
% of total CC relevant allocation	2.29	2.37	2.20	1.42
% of Ministry budget	0.98	1.02	0.88	0.42
Total CC Relevance (Tk)	37,982,019	38,585,907	31,285,755	20,248,363
% of Total Budget	42.90	43.13	40.26	29.53

Source: Finance Division, Ministry of Finance

Table 10.6 shows the allocation in BCCSAP thematic areas. ‘Comprehensive Disaster Management’ has the largest share of the CC relevant allocation in FY 2017-18. The estimated outlay in this area is Tk. 1,949 crore or 22.02% of the total ministry budget and 51.32% of the CC relevant allocation. Percentage-wise this is 3.25% increase from FY 2016-17 ministry budget and 7.8% increase in CC relevant allocation. Since FY 2014-15 this thematic area maintained the largest share. Allocation in ‘Climate Resilient Infrastructure’ had a significant increase to 15.75% in FY2016-17 from 1.88% in 2014-15.

Green Growth Strategy and Green Climate Fund

Policy makers and financial institutions need to respond effectively to the environmental challenges that our world faces today with appropriate support and incentives for green finance. Bangladesh struggles with the lowest adaption capacity to the predicted impacts of climate change, the highest risk of flooding, a high risk of drought, a large reliance on agriculture, and a poverty rate of 31.5%. In spite of this, Bangladesh has recently emerged as a low middle income country and aspires to sustain the current trend of economic growth and social development which is reflected in the ‘Perspective Plan of Bangladesh (2010-2021)’, also termed as ‘Vision 2021’. A green mind-set is critical to help Bangladesh achieve the targets set out in these documents in a sustainable manner.

The National Sustainable Development Strategy (NSDS), 2013 was the first document in Bangladesh to frame strategies to address issues related to sustainable economic development and green growth. Since then a number of long term plans, including the Seventh Five-Year Plan (2015–2020) and the Perspective Plan Bangladesh (2010–2021), have incorporated different aspects of green growth. The Seventh FYP acknowledges the urgency of strategic actions to minimize negative externalities of industrialization and the adverse effects of climate change through the promotion of sustainable development.

Some fiscal initiatives have also been designed by the GoB, associated with its medium-term budgeting perspective. The government is keen to providing tax incentives to encourage investment in renewable energy ventures. The proposed incentives include exemption from being charged 15% VAT on renewable energy equipment and materials used in the production of renewable energy; the establishment of a network of micro-credit providers in remote rural areas to provide funding for the purchase of renewable energy equipment; and corporate income tax exemptions for renewable energy projects. A Climate Public Expenditure and Institutional Review (CPEIR) has been developed. The initial assessment detailed in the CPEIR indicates that approximately seven percent of total public expenditure contributes to green growth related activities.

All banks and financial institutions are required to comply with Bangladesh Bank’s green finance regulations. In response to these regulations, banks and NBFIs are promoting both direct and indirect green finance through loan disbursements. BDT 503.2 billion has been disbursed in green finance during FY 2016 by 46 banks and NBFIs. During this period, indirect green finance (BDT 469.8 billion) exceeded the total amount

of direct green finance (BDT 333.5 billion). Private commercial banks (PCBs) are playing the key role (80.4%) while the contribution of others constitutes 15.6% by Foreign commercial banks (FCBs), 3.4% by Non-bank Financial Institutions (NBFIs), 0.6% by State-owned commercial banks (SCBs) and 0.01% Development Financial Institutions (DFIs). The following table 10.7 depicts the overview of direct and indirect green finance by different types of banks and NBFIs in FY 2016.

Table 10. 7: Direct and indirect green finance in FY 2016 (million BDT)

Type of banks/NBFIs	Direct Green Finance	Indirect Green Finance	Total Green Finance	Sector wise Contribution
State-Owned Commercial Banks (SCBs)	2013.7	1234.5	3248.2	0.6
Development Financing Institutions (DFIs)	30.1	0.0	30.1	0.01
Private Commercial Banks (PCBs)	24597.4	379887.5	404485.0	80.4
Foreign Commercial Banks (FCBs)	768.8	77547.3	78316.1	15.6
Non-Bank Financial Institutions (NBFIs)	5948.2	11193.8	17142.0	3.4

Source: Annual Report 2015-16, Bangladesh Bank

The table 10.8 below demonstrates the trend in contribution of banks and FIs to green finance over the past three years.

Table 10. 8: Contribution of different types of banks and FIs in total green finance (%)

Type of Banks/FIs	FY 2014	FY 2015	FY 2016
State-Owned Commercial Banks (SCBs)	1.2	0.9	0.6
Development Financing Institutions (DFIs)	0.7	0.1	0.01
Private Commercial Banks (PCBs)	72.8	78.6	80.4
Foreign Commercial Banks (FCBs)	21.4	15.4	15.6
Non-Bank Financial Institutions (NBFIs)	4.0	5.1	3.4
Total	100	100	100

Source: Quarterly Review Report on Green Banking Activities of Banks and Financial Institutions and Green Refinance Activities of Bangladesh Bank (July-September, 2016)

Considering total amount of loans disbursed in different green finance categories in FY 2016, table 10.9 shows sectors like fire burnt brick, renewable energy, liquid waste management, setting up green industry etc. had the major uptake. Private commercial banks had the major share in financing most of the categories like energy efficiency, liquid waste management, fire burnt brick, recycling and recyclable products, setting up green industries and factory safety. Data shows that in FY 2016, for most of the categories there have been increase in disbursements except renewable energy and solid waste management. Compared to FY 2015, the total amount disbursed under these categories had a slight reduction, from BDT 33389.7 million to BDT 33358.2 million.

Table 10. 9: Green finance in different products (million BDT)

Category of Green Finance	FY 2016	FY 2015
Renewable energy	5495.7	9201.3
Energy efficiency	2530.3	1574.4
Solid waste management	12.2	2127.6
Liquid waste management	4838.0	2032.0
Alternative energy	334.0	17.3
Fire burnt brick	7157.9	7182.5
Non-fire block brick	209.8	20.5
Recycling and recyclable product	4877.4	2536.8
Green Industry	5025.8	3969.5
Safety and Security of factory	1947.4	262.6
Others	929.6	4465.2
Total	33358.2	33389.7

Source: Annual Report FY 2015 & 2016, Bangladesh Bank

Sustainable Environmental Development– The Way Forward

Bangladesh currently stands at the crossroads of accelerated economic growth and green transformation. There is a window of opportunity for Bangladesh to minimize environmental damage and use its natural resources efficiently by adopting a sustainable growth path. If implemented correctly, long term benefits of going green will include the opportunity for increased employment through innovation; increased energy security and industrial efficiency; and a reduction in the vulnerability of poor people to the adverse effects of climate change.

Sustaining the financial system will determine how Bangladesh faces its environmental challenges throughout this pathway of growth. Green transformation of major sectors of the economy through environmentally responsible production will depend on how regulators guide private sector finance flows in favor of sustainable finance. In the absence of strong regulation and supervision, there will be a high risk of accelerated environmental degradation, with an augmented flow of resources feeding into the building of unsustainable infrastructure and increased dirty industrial production.

Chapter Eleven

Progress with ICT Development

Introduction

In the era of globalization, the speed of knowledge creation and dissemination has increased significantly. One of the major factors behind is the rapid advances in information and communications technologies (ICTs) which have contributed to cheaper computing power and electronic networking. Thus increasing the affordability, the usage of computing power and electronic networking has amplified, along with the efficient diffusion of existing knowledge. Modern ICTs also enable researchers in different locations to work together, which consequently enhance the productivity of researchers, resulting in rapid advances in research and development and the generation of new knowledge and technologies

The Knowledge Economy (KE) is a system of production and consumption powered by individuals, companies and sectors that create and commercialize new ideas, technologies, processes and products for the development of an economy. Knowledge Economy allows the sustained use and creation of Knowledge at the center of development process. A Knowledge Economy (KE) is one that utilizes knowledge as the key engine of economic growth. It is an economy where knowledge is acquired, created, disseminated and used effectively to enhance economic development. Knowledge economy contributes to the economy under the four main broad categories:

- An economic incentive and institutional regime that provides good economic policies and institutions that permit efficient mobilization and allocation of resources and stimulate creativity and incentives for the efficient creation, dissemination, and use of existing knowledge.
- Educated and skilled workers who can continuously upgrade and adapt their skills to efficiently create and use knowledge.
- An effective innovation system of firms, research centers, universities, consultants, and other organizations that can keep up with the knowledge revolution and tap into the growing stock of global knowledge and assimilate and adapt it to local needs.
- A modern and adequate information infrastructure that can facilitate the effective communication, dissemination, and processing of information and knowledge.

ICT sector of Bangladesh is still at a beginning level and still has a long way to go. The global standards of the Knowledge Economy are far away from the present situation of Bangladesh. Bangladesh has performed as one of the low ranked economies in the World Bank's Knowledge Economy Index. Bangladesh ranked 27th out of 28 emerging economies while India ranked 22nd, Pakistan 23rd and Nepal 26th. There are huge long-term challenges that lie ahead of Bangladesh in order to move up the rank of the Knowledge Economy Index. Bangladesh lacks in areas of research and development and skilled professionals in science and technology. Bangladesh aims to be a part of the nations with advanced Knowledge Economy contribution. Hence, Digital Bangladesh is one of the foremost targets of the Government of Bangladesh which will be partially implemented through the government's Vision 2021.

Progress with Policies

The Government of Bangladesh incorporates Digital Bangladesh as a fundamental for the development strategy of Bangladesh. The government has formulated a number of acts, policies and guidelines to achieve the vision of Digital Bangladesh. The ICT policy formulated in 2009 was revised and updated in 2015 that contains the work plans for this sector in details.

To achieve the 7th FYP targets as well as Vision 2021, the government has emphasized on rapid expansion of services and investment in IT sector. In this context, the government has planned to set up 12 IT parks in district headquarters of Gopalganj, Mymensingh, Jamalpur, Rangpur and Barisal, Keraniganj in Dhaka,

Comilla Sadar (South), Chattogram Port, Ramu in Cox’s Bazaar, Singra in Natore, Companyganj in Sylhet, and KUET Campus in Khulna. Also, the initiative of setting up seven IT training and incubation centers at different locations across the country has been taken by the government which will bring unions under optical fiber cable connectivity. The following policies, acts and rules for ICT sector were adopted during the 7th FYP period:

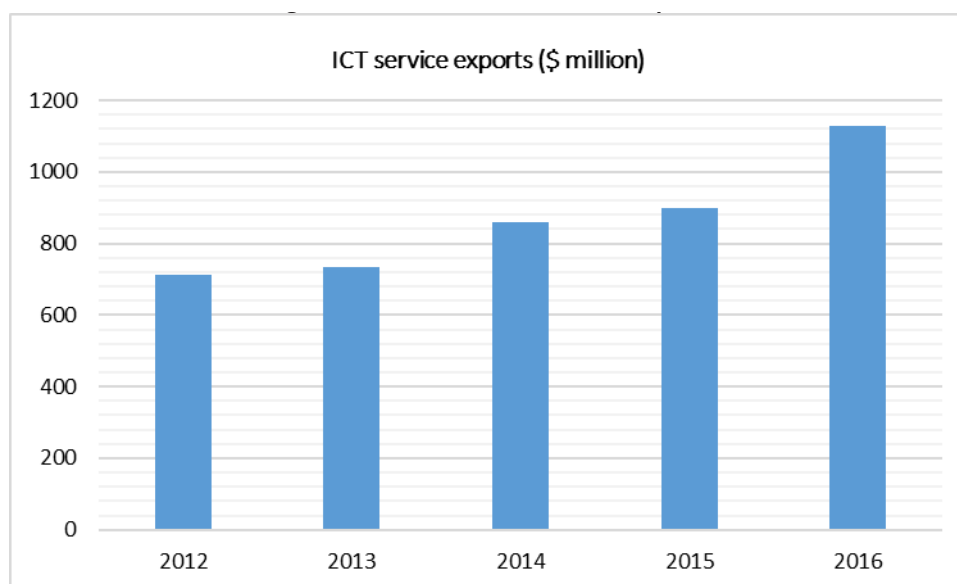
- Community radio policy, 2017
- National Film Policy, 2017
- National Online Mass-Media Policy, 2017
- Joint venture film production rule, 2017
- Bangladesh Press Institute Act, 2018

ICT and Growth

The advanced economies’ knowledge economy grows at a rate much higher than Bangladesh. However, since the government’s focus on Digital Bangladesh, growth in the ICT have increased? Bangladesh’s digital economy has resulted in robust growth of mobile phone subscriptions. According to data from the World Development Indicators, the percentage of population with mobile phone subscriptions stood at 78% in 2016. The number of fixed broadband subscribers stood at 6.1 million while percentage of the population using internet stands at 18.2%.

ICT exports have gained some growth since the Sixth Five Year Plan and took a good leap in the start of Seventh Five Year Plan. According to the World Development Indicators, ICT service exports stood at \$1128 million in 2016. The trend in ICT service exports over the period of 2012 to 2016 (5 years) is given below. The trend shows a steady rise in ICT service exports.

Figure 11. 1: Trend in ICT service exports



Source: WDI

Promotion of e-business and e-commerce: To facilitate e-business and e-commerce the Government had introduced ICT Act 2006 that was revised in 2013. The Bangladesh Computer Council takes one of the lead roles in the promotion of digital Bangladesh in the public authority arena. The Bangladesh Computer Council has facilitated a total of 18543 offices of all ministries, divisions, important directorates, all DC and UNO offices to be brought under integrated public network. The capacity of National Data Centre at Bangladesh Computer Council has been enhanced and a disaster recovery centre has been established in Jessore. Moreover, 25,000 Tabs has been distributed among government officials across the country and 800 Video Conference Centres have been established. Besides, 18 special labs, 254 Upazilla e-Agriculture Service Centres and telemedicine centre in 25 health centres have been established. Further, Wi-Fi zone has been established in the Secretariat, Bangladesh Computer Council and Khamarbari. A total of 372 laboratories have also been set up under Virtual Desktop Computing Network program. Additionally, rigorous computer training are being provided to government officials regularly.

Hi-Tech Park: Bangladesh Hi-Tech Park Act was passed in 2010 to promote the ICT industry. Afterwards, the Bangladesh Hi-Tech Park Authority was established to create, manage, operate, and develop the hi-tech parks. Bangladesh Hi-Tech Park Authority has approved the creation of 3 hi-tech parks; Bangabandhu Hi-tech Park, Janata Software Technology Park and Jessore Software Technology Park. At Bangabandhu Hi-tech Park, three IT companies have started their business in a three-floor building. The Jessore Software Technology Park have started the construction of a 15 floor building on a 12.13 acres of land. Parts of the building comprise of an international standard dormitory and canteen has been completed. A building in the capital's Karwan Bazar has been transformed to Janata Software Technology Park and 16 IT companies are running their businesses there. Additionally, the Bangladesh first ever university business incubator is being established in Chattogram university of Engineering and Technology. The Sheikh Kamal IT Training and Incubation Center has already been established in Natore and is planned to complete within this Five Year Plan.

ICT and Education

Digital Bangladesh plans to restructure the education system to match up with the advanced economies. The new structure plans to give greater importance to ICT and ICT based education to improving the quality of the education and developing the skills of the people. The 7th FYP plan has started to build e-learning infrastructure to develop ICT based education system. Ministry of Education and Ministry of Primary and Mass education have taken two separate projects to implement 20500 and 7000 multimedia classrooms in the primary and secondary levels. 13,700 schools, 5200 madrasas and 1600 colleges have so far been upgraded to multimedia classrooms.

Bangladesh Computer Council has also set up 3544 labs across all educational institutions to expand to ICT education to all levels. Internet is also being provided free of cost to all educational institutions to encourage the use of Internet. The Internet at 6 universities has been brought under one network called the Bangladesh Research and Education Network. Further, ICT courses in the secondary and higher secondary education have been introduced. Also, 325 textbooks at the same level have been converted to e-books and an e-learning program has been launched. Upazila ICT Training and Resource Centres have been established in 125 upazilas. The Basic ICT Skills transfer has provided training to 7,890 teachers as Master trainers and 112, 189 as students through 192 institutes. Finally, 4 multimedia classrooms have been set up in each of the 64 teachers training institutes.

Progress with e-governance

E-governance will allow for the citizens to communicate with other citizens and deal with the government. It will make it simple for citizens to participate in the government's policy making and planning.

As a part of the government's e-administration goals, the government has successfully made all information of the ministries and other relevant notifications has been made in Bangla and made accessible to the public. The national portal of the government of Bangladesh has information from all the ministries to the unions. The government has trained and involved around 50,000 government officials to maintain updated data on these websites. The government has also established e-Service centers at district level that will enable districts to share information online. Moreover, a national data center has been established and operational that assists the sharing of citizen's identification and voter list. The progress of National e-Service System that aims to receive, process and track citizens' application is underway.

The national ICT infra-Network for Bangladesh Government Phase II has been established successfully. The project has implemented 800 video conferencing system at different ministries, departments and Upazilla office. The project has now extended to Phase III. This phase is more citizen centric and focuses on the higher bandwidth through deployment of DWDM equipment's with Power System at Upazilla and District levels. Additionally, successful implementation of the project will ensure 10Gbps capacity network at Upazila level and 100 Gbps capacity network at district level.

The government has launch "Sebakunjo" – a single access point that will provide about 400 services from 36 directories. Moreover, board of Investment has introduced online registration and work permit for foreign nationals and investors. The NBR has introduced a system of online tax filing and online tax calculator. The Deed Registration Digitalization is also underway, initiated by 3 districts and 5 sub-registry offices. Lastly, the government has also introduced online procurement system that will assist the organizations in submitting tenders. The system will also introduce digital certification to ease out the process.

Inclusive Information and Knowledge Management System

Inclusivity in information and knowledge would require private and public information and services to reach the marginalized communities in the rural areas. This led to the launch of 4547 Union Information and Service Centers (UISCs) at the union level. 30 UISCs with support from the Directorate General of Health Service have introduced telemedicine services. Mobile phones have been made available at every Upazilla Health complex and initiated the mobile phone health care program. Further, 800 health institutions have received computer supplies and brought under the internet service. Besides, 12,557 community clinics have been provided with laptops and built-in webcam to conduct video conferencing.

Progress with ICT in Equity

To make the land administration and management system more transparent and accountable digital land management system was adapted. The pilot project for this land digitalization has been implemented. Digitalization of mouza maps have been digitalized through scanning, geo-referencing and aerial photography.

The government has implemented the "Learning and Earning" project which will train 55,000 citizens and to develop their skills. Another initiative 'Bari boshe borolok' has been adapted to train 12,240 women candidates. The aim is to train a total of 34,000 candidates that will enrich the human resources of the IT sector.

In order to adapt financial inclusivity, the government has approved 28 commercial banks to provide mobile banking services. Also approved are 5 commercial banks 1700 Union information service centers and 40 districts. Since there is a huge number to citizens with access to mobile phones, commercial banks have started to disburse remittances through mobile operators' outlets in the rural areas.

Supply chain in the agricultural sector has also been strengthened particularly in the production and distribution of sugarcane. Information about the price and delivery of sugarcane mills through mobile SMS has benefitted farmers in punctual delivery.

Progress with ICT Infrastructure

The primary focus of Digital Bangladesh is to ensure access to ICT for all citizens. The Vision 2021 aims to achieve a tele density of 90% while more 70% has been achieved. Bangladesh has also joined the South Asian Sub Regional Economic Cooperation (SASEC) in order to expand the internet connectivity not only nationally but also regionally. Bangladesh ICT Infrastructure of Bangladesh has also taken good leaps in the recent years. Optical Fiber Cable Network development in 1000 union parishad and 290 Upazilla has been completed. Additionally, installation of Wireless Broadband Network for Digital Bangladesh (4G, LTE) has been implemented. Further, NGN (IMS) based Telecommunication Network for Digital Bangladesh (NTN)- an OFC 300 km network has been installed and the project completed in 30 June, 2017.

Progress with Financing and Investment

Since, the first budget for the Seventh Five-year plan i.e. 2015-16, there has been a more than 400% increase in the budgetary allocation from TK. 955 crore in 2015-16 to TK. 3,974 crore in 2017-18. The trend shows an increasing allocation for the ICT division with the highest being the current year, an amount of TK. 3974 crore. Development allocation has increased to TK. 3,765 crore in 2017-18 from TK. 1,595 crore in 2016-17.

Table 11. 1: Budget Allocation for ICT Division (in crore Taka)

ICT Division	Budget	Revised	Budget	Actual
	2017-18	2016-17	2016-17	2015-16
Non-Development	209	224	229	89
Development	3,765	1,595	1,606	866
Total - ICT Division	3,974	1,819	1,835	955

Source: Ministry of Finance

Private Investment and Taxation of the ICT Sector

The supply of ICT services is provided by the private sector of Bangladesh but the investment for the fixed infrastructure is taken care of the public sector. The public sector's expansion of the ICT infrastructure has assisted the private sector in attracting foreign and domestic investment in the ICT sector. The private sector has contributed largely to the achievements behind the tele density and widespread access to mobile services. However, the tax structure of ICT sector is quite high in Bangladesh which impedes further investment in this sector. If the tax system is reviewed, it will help the further flourishing of the ICT sector.

Annexures

Annex 1

Macroeconomic Framework for Seventh Five Year Plan

Annex Table 1.1: Progress with Macroeconomic Targets

	FY15	FY16		FY17	
	Actual	Target	Actual	Target	Actual
Real GDP growth	6.55	7	7.11	7.2	7.28
Exports as (%) of GDP	17.3	15.7	16.7	15.6	15.0
Imports as (%) of GDP	24.8	21	21.3	21.1	20.3
FDI as (%) of GDP	0.9	1.2	0.6	1.8	0.7
Remittances (\$ billions)	15.2	17.3	14.7	19.1	12.6
Reserves (month of imports)	6.3	6.6	8.0	6.9	9.0
Current Account Balance (% of GDP)	1.5	-1.2	1.9	-1.5	-0.6
Tax to GDP Ratio (%)	8.5	10.6	8.8	11.5	9.1
Fiscal Balance (excluding grants) (% of GDP)	-3.5	-5	-3.8	-5	-3.1
CPI Inflation (%)	6.4	6.2	5.9	6	5.4
Consumption (as% of GDP)	77.8	77.5	75.0	76.7	74.7
Gross Domestic Investment (as % of GDP)	28.9	30.1	29.7	31	30.5
Private investment (as % of GDP)	22.1	23.7	23.0	23.9	23.1
Public Investment (as % of GDP)	6.8	6.4	6.7	7.1	7.4
National Savings (as % of GDP)	29.0	29.1	30.8	29.7	29.6

Source: Bangladesh Bureau of Statistics (BBS), Ministry of Finance, Bangladesh Bank and 7th FYP

Annex Table 2.2: Summary of Balance of Payments

Components	FY15	FY16		FY17	
	Actual	Target	Actual	Target	Actual
Trade balance (mln \$)	-6965	-11615.1	-6460	-12983.6	-9472
Exports f.o.b (including EPZ) (mln \$)	30697	33785.1	33441	37501.4	34019
Export growth (%)	3.08	9.8	8.94	11	1.73
Imports f.o.b (including EPZ) (mln \$)	-37662	-45400.2	-39901	-50485	-43491
Import growth (%)	2.98	11.6	5.94	11.2	9
Services (mln \$)	-3186	-5436.8	-2708	-6062	-3284
Income (mln \$)	-2869	-3421	-1915	-4313.1	-2007
Current transfers	15895	17945.6	15345	19878.5	13283
- of which Workers' Remittances (mln \$)	15170	17265.6	14717	19078.5	12591

Components	FY15	FY16		FY17	
	Actual	Target	Actual	Target	Actual
Remittance growth (%)	7.5	13.8	-2.99	10.5	-14.45
Current Account Balance (mln \$)	1406	-2527.3	4262	-3480.2	-1480
Financial and Capital Account (mln \$)	3453	6323.1	1408	8092.6	4493
Capital account (mln \$)	598	750	464	750	314
Financial Account (mln \$)	2855	5573.1	944	7342.6	4179
Foreign Direct Investment (FDI) (mln \$)	1474	2589.6	1285	4315.6	1706
FDI growth (%)	24.15	52.3	-29.78	66.7	32.76
Errors and Omissions (mln \$)	624	0	-634	0	156
Overall Balance (mln \$)	5483	3795.8	5036	4612.4	3169

Source: Bangladesh Bank and 7th FYP

Annex Table 3.3: A summary of fiscal operations, FY15-17

	FY15	FY16		FY17	
	Actual	Target	Actual	Target	Actual
Total Revenue and grants (Tk bill.)	1457.7	2143	1750.0	2708	2016.3
- as % of GDP	9.6	12.5	10.1	13.9	10.3
Total Revenue (Tk bill.)	1440.1	2084	1729.5	2635	2007.5
- as % of GDP	9.5	10.6	10.0	11.5	10.3
Tax revenue (Tk bill.)	1287.4	1822	1518.8	2244	1778.0
- as % of GDP	8.5	10.6	8.8	11.5	9.1
non-tax revenue (Tk bill.)	152.7	262	210.6	390	229.6
- as % of GDP	1.0	1.5	1.2	2	1.2
Total Expenditure (Tk bill.)	1973.3	2951	2392.7	3611	2615.0
- as % of GDP	13.0	17.2	13.8	18.5	13.4
of which: ADP	600.0	970	800.4	1210	772.6
- as % of GDP	4.0	4.8	4.6	5	3.9
Overall Balance (Incl. grants)	-515.6	-796	-642.6	-908	-598.8
As % of GDP	-3.4	-4.7	-3.7	-4.6	-3.1
Net financing	515.5	808	642.6	903	598.3
As % of GDP	3.4	4.7	3.7	4.6	3.1
External Debt	91.8	243	134.7	239	70.3
As % of GDP	0.6	1.4	0.8	1.2	0.4
Domestic Borrowing	423.7	565	508.0	664	528.1
As % of GDP	2.8	3.3	2.9	3.4	2.7

Source: Ministry of finance and 7th FYP

Annex 2

Annex Table 4.1: Progress and Objectives of the current Projects

Sl No.	Project Name/Source of Fund/Financial Synthesis/Closing	Objective of the Project	Goal		Progress	
			Actual	Monetary	Actual	Monetary
1	Water supply, sanitation and drainage projects in Sylhet and Barisal city. GoB Tk 28241.109 lac July/2005-June/2016	Development of water supply, sanitation and drainage system in Sylhet and Barisal metropolitan cities	100%	2980.00	100%	2363.905
2	Establishment of Human Resource Development Center for water supply and sanitation GoB TK 3647.00 Lac July/2007-June/2017	Regarding the development of National Human Resources for the establishment of the National Training Academy, water supply and sanitation for the public health and the training of the people of different organizations.	100%	500.00	79%	287.71
3	water supply projects in 37 districts GoB TK 75372.00 Lac December/2010-June/2017	1) Provisional rehabilitation and expansion of existing water supply, 2) Increase awareness for the durability of the water supply system, 3) Increase coverage of safe water supply system	100%	17000.00	100%	16841.00
4	Water supply, sanitation and drainage projects in Tongi city GoB TK 10270.00 Lac July/2012-June/2017	1) Expansion and rehabilitation of water supply, sanitation and drainage system in Tongi municipality including World Ijtema ground 2) Reduce the outbreak of water borne diseases by increasing the coverage of safe water supply and sanitation.	100%	3000.00	100%	2999.67

Sl No.	Project Name/Source of Fund/Financial Synthesis/Closing	Objective of the Project	Goal		Progress	
			Actual	Monetary	Actual	Monetary
5	Bangladesh Rural Water Supply and Sanitation Project IDA TK 38412.19 Lac July/2012-December/2017	<ol style="list-style-type: none"> 1) Distribution of water through pipes involving local government institutions, communities and private sponsors. 2) Creating non-piped water supply systems by selecting high liquefied and arsenic problem-related unions and villages. 3) Low-cost latrines for the over-poor public of the selected union. 	100%	10500.00	100%	10427.09
6	Water Supply and Environmental Sanitation Project (2nd project) through pipeline in the Municipality of Thana Sadar and Growth center. GoB TK 26853.33 Lac July/2012-June/2018 (Recommended)	<ol style="list-style-type: none"> 1) Enhancing the standard of living of the people living in the project area by ensuring safe water for the public. 2) Decreasing diarrhea and other water borne diseases by providing safe water supply and environmental sanitation. 	100%	3500.00	98.50%	3414.71
7	Water Supply and Environmental Sanitation (2nd Phase) Project in 40 Municipal and Growth Centers TK 18418.74 Lac January/2014-June/2017	<ol style="list-style-type: none"> 1) Provisional rehabilitation and expansion of existing water supply. 2) Increase awareness for the durability of the water supply system. 3) Increase coverage of safe water supply system. 	100%	2500.00	100%	2488.07
8	Water Supply and Environmental Sanitation Project in Mongla Municipality Tk 1955.82 Lac July/2013-June/2016	<ol style="list-style-type: none"> 1) Extension and completion of the infrastructure in the project area. 2) By increasing the safe water supply among the people, the quality of life and the overall environment development. 	100%	846.00	100%	791.68

Sl No.	Project Name/Source of Fund/Financial Synthesis/Closing	Objective of the Project	Goal		Progress	
			Actual	Monetary	Actual	Monetary
9	Ground Water Investigation and Development of Deep Ground Water Source in Urban and Rural Areas of Bangladesh TK 10352.93 Lac July/2013-June/2019	1) Digging deep tube wells in areas where arsenic is difficult to dig tunnels due to rocky soil. 2) Enhanced power of Public Health Engineering Department in deep tube wells technology.	100%	4475.00	100%	4475.00
10	The overall management skills of water supply development projects Tk 3406.88 Lac November/2014-October/2018	1) Formulation of Comprehensive Technique Guidelines for the supply of water to the rural areas of Bangladesh 2) Strengthen the database of water supply in municipal and rural areas and utilize it during long-term planning 3) Operational status of the established water supply system and the quality of water monitoring	100%	968.00	96.45%	923.37
11	Water supply, sanitation and health education projects Tk 41388.73 Lac January /2015-June/2018	Providing safe drinking water in the areas of arsenic, salinity and water scarcity; providing comprehensive coverage of sanitation system among poor people and achieve international and national targets for water supply and sanitation, through reducing open defecation activities.	100%	7000.00	97%	6724.67
12	Water supply project in rural areas Tk 79998.03 Lac January/2016-December/2019	The overall economic development of the rural people by reducing water borne diseases by expanding the water supply system throughout the country and enhancing the work of water supply in rural areas by establishing safe water sources.	100%	1500.00	24.38%	356.70

Sl No.	Project Name/Source of Fund/Financial Synthesis/Closing	Objective of the Project	Goal		Progress	
			Actual	Monetary	Actual	Monetary
13	National Sanitation Project (3rd phase) Tk 14995.52 Lac March/2016-June/2019	1) Provide healthy latrines with water supply systems for the marked population as the most remote area. 2) Innovative technology by using sustainable sanitation system in haor, coastal areas, flood prone areas and hilly areas. 3) Ensuring sustainable sanitation for community people by establishing community lectures.	100%	170.00	100%	134.81
14	Char development and settlement project-4 (CDSP-IV) DPH Part GoB Tk 2453.27 Lac January/2011-December/2016	1) On the basis of sustainable development, people's economic and social standard development. 2) Making safe drinking water available to the people of the project area. 3) Preventing the spread of diarrhea and other water borne diseases by providing pure drinking water.	100%	780.00	18%	251.85

Source: DPHE

Annex Table 5.2: CCEA/LM approved projects under the Public Private Partnership (PPP) Program

SL	Sector	Project Name	Status
1	Road	Dhaka-Elevated Expressway.	Construction Stage
2	Port	2 Jetties at Mongla Port through PPP.	Award Stage - Contract Signed
3	Road	Upgrading of Dhaka Bypass to 4 Lane (Madanpur-Debogam-Bhulta-Joydebpur).	Procurement Stage – RFP
4	Port	Construction of Laldia Bulk Terminal.	Procurement Stage – RFQ
5	Road	Flyover from Santinagar to Mawa Road via 4th (New) Bridge over Buriganga River.	Procurement Stage – RFQ
6	Rail	Construction of a New Inland Container Depot (ICD) near Dhirasram Railway Station.	Project Development Stage - Detailed Feasibility Study
7	Road	Dhaka-Chattogram Access Controlled Highway.	Project Development Stage - Detailed Feasibility Study

SL	Sector	Project Name	Status
8	Road	Improvement of Hatirjheel (Rampura Bridge)-Shekherjaiga-Amulia-Demra Road.	Project Development Stage - Detailed Feasibility Study
9	Port	3rd Sea Port (Payra Port Coal Terminal)	Project Development Stage - Detailed Feasibility Study
10	Aviation	Build and Construct Khulna Khan Jahan Ali airport and Special Tourism Zone (STZ) in Khulna under PPP Mode.	Project Development Stage - Advisor Appointment
11	Energy	Construction of LPG Import, Storage and Bottling Plant at Kumira or any Suitable Place at Chattogram Including Import Facilities of LPG, Jetty, Pipeline and Storage Tanks under PPP.	CCEA Approved (In Principle)
12	Port	Construction & Operation of Inland Container Terminal (ICT) at Khanpur.	CCEA Approved (In Principle)
13	Road	Hemayetpur-Singair-Manikganj PPP Road.	CCEA Approved (In Principle)
14	Bridge	2nd Padma Multipurpose Bridge at Paturia-Goalundo.	CCEA Approved (In Principle)

Source: PPP website

Note: CCEA - Cabinet Committee on Economic Affairs, RFP - Request for Proposal, RFQ - Request for Quotation

Annex Table 6.3: Programme Reform in 2016 up to 2021

Proposed Reform		Action Plan	Ministry/ Division
A.1 Strengthening Social Security for the Children (age <1 – 18)			
A.1.1	Child Benefit	<ul style="list-style-type: none"> Submit detailed implementation plan for the Child Benefit to the Cabinet 	Ministry of Women & Children Affairs (MoWCA)
A.1.2	Primary and Secondary School Stipends	<ul style="list-style-type: none"> Submit detailed implementation plan for the scale up of the stipend programmes to the Cabinet Division 	Ministry of Primary & Mass Education (MoPME)/ Ministry of Education (MoE)
A.1.3	Continuing Orphan's and School Meals Programmes	<ul style="list-style-type: none"> Maintain ongoing programme 	Ministry of Social Welfare (MoSW)/ MoPME
A.1.4	Ensuring Child Maintenance Payment for abandoned children	<ul style="list-style-type: none"> Develop policy and start implementation, July 2016 	MoWCA
A.1.5	Strengthen Immunization, Child Healthcare, Nutrition and Water and Sanitation Programmes.	<ul style="list-style-type: none"> Take actions to strengthen supply and outreach of these programmes 	Concerned Ministries
A.2 a Strengthening Programmes for Working Age (age 19-59)			
A.2.a.1	Strengthen Education and Training	<ul style="list-style-type: none"> Strengthen quality of education and training 	MoPME/MoE/ MoEWOE
A.2.a.2	Strengthen Workfare Programmes	<ul style="list-style-type: none"> Consolidate all workfare programmes 	Ministry of Disaster Management and Relief (MoDMR)/ Local Government Division (LGD)

Proposed Reform		Action Plan	Ministry/ Division
A.2a.3	Introducing Unemployment, Accident, Sickness and Maternity Insurance under NSIS	<ul style="list-style-type: none"> Commission study to design unemployment insurance for workers in the organized private sector; Submit Plan to Cabinet for Approval and start implementation 	Ministry of Labour & Employment (MoLE)
A.2b Strengthening Programmes for Vulnerable Women (VWB) (age 19-59)			
A.2b.1	Consolidate into one VWB programme on a cash basis	<ul style="list-style-type: none"> Submit detailed implementation plan for Vulnerable Women's Benefit (VWB) to the Cabinet Division 	MoWCA
A.2b.2	Provision of Childcare across all Formal & Informal Employment	<ul style="list-style-type: none"> All government offices and formal private enterprises have childcare facilities; 	MoWCA
A.2b.3	Maternal health care	<ul style="list-style-type: none"> Continue and prepare expansion plan 	Ministry of Health and Family Welfare (MoHFW)
A.2b.4	Training programme	<ul style="list-style-type: none"> Continue training under VGD 	MoWCA
A.3 Comprehensive Pension System for the Elderly			
A.3.1	Old Age Allowance (age 60 +)	<ul style="list-style-type: none"> Expand the Old Age Allowance programme 	MoSW
A.3.2	Government Service Pension	<ul style="list-style-type: none"> Submit detailed implementation plan to Cabinet 	Financial Institutions Division (FID)/ Finance Division (FD)
A.3.3	The National Social Insurance Scheme (NSIS)	<ul style="list-style-type: none"> Initiate study to determine the viability of a NSIS; Recommend options for a NSIS 	Financial Institutions Division/ FD
A.3.4	Private Voluntary Pensions	<ul style="list-style-type: none"> Initiate study to determine the viability of a Pension Regulatory Authority 	Financial Institutions Division/FD
A.4 Programmes for People with disabilities			
A.4.1	Strengthening the System of Social Security for People with disability	<ul style="list-style-type: none"> Submit detailed implementation plan for the Child Dependency Benefit and the Working Age Disability Benefit to Cabinet; Implement programme 	MoSW
A.5 Programmes for Urban Poor			
A.5.1	Strengthening the Social Security System for the Urban Poor	<ul style="list-style-type: none"> Ensure urban poor households have similar access as rural poor households 	Concerned line Ministries/ LGD/ Finance Division
A.6 Programmes for Food Security			
A.6.1	Consolidate and Reform Food Security Type Programmes	<ul style="list-style-type: none"> Consolidate food transfer programmes; Coordinate with food stocking policy; 	Ministry of Food / MoDMR

Proposed Reform		Action Plan	Ministry/ Division
		<ul style="list-style-type: none"> Food distribution for disaster relief to continue as a disaster relief programme 	
A.7 Programme Consolidation			
A.7.1	Consolidate small schemes	<ul style="list-style-type: none"> Retain schemes that are innovative and can be scaled up 	Line Ministries/ GED

Annex Table 7.4: Institutional Reform in 2016 up to 2021

Proposed Reform		Action Plan	Ministry/ Division
B.1 Two-Phase Reforms			
B.1.a	CMC led Cluster Coordination Approach of Implementing Ministries	<ul style="list-style-type: none"> Introduce Cluster Approach to Ministries' SSP implementation; Review efficiency and effectiveness of the cluster approach and CMC will ensure coordination and supervision of programmes (till 2025) 	Cabinet Cabinet Division General Economics Division (GED)
B.1.b	Ministry of Social Welfare to implement Lifecycle Programmes and Coordinate with SSPs	<ul style="list-style-type: none"> Strengthened and reformed Department of Social Services under Ministry of Social Welfare (from 2026 onwards) 	Ministry of Social Welfare Line Ministries
B.2	Establish a Single Registry Management Information System	<ul style="list-style-type: none"> Commission a review of MISs across all Social Security schemes, December 2014; Establish a Single Registry on a pilot basis within SID; Establish nationwide Single Registry 	Statistics and Informatics Division (SID)
B.3	Strengthen Government to Person (G2P) Payment Systems that Promote Financial Inclusivity	<ul style="list-style-type: none"> Initiate comprehensive review of current G2P system; Initiate implementation of findings 	Finance Division/ FID / Bangladesh Bank / Finance, NSSA / and other Ministries
B.4	Strengthen Processes for Selecting Recipients of Social Security Schemes	<ul style="list-style-type: none"> Review of selection criteria for all programmes; Implement recommendations; Combine PMT with use of LGIs and NGOs in identifying beneficiaries 	SID / GED / IMED/ MoDMR/ Line Ministries
B.5	Establish a Complaints and Grievance Mechanism	<ul style="list-style-type: none"> Commission study to design the mechanism; Initiate implementation 	Cabinet Division/ GED / LGD / NGOs / ICT Division
B.6	Establish a Results Based Monitoring & Evaluation System	<ul style="list-style-type: none"> Assign M&E responsibilities; Establish task force to develop M&E framework; Implement task-force recommendations 	Cabinet / GED / IMED

Annex 3

Annex Table 8.1: DRF of 7th FYP

Performance Indicators	Baseline ⁹ (2015)	Target 2020	Current	Data Source	Comments
(1)	(2)	(3)	(4)	(5)	(6)
National Priority: Macroeconomic Stability and Economic Growth					
Real Sector					
Real GDP growth (%)	6.5	8.0	7.65	BBS , 2018	On track
Annual sectoral GDP growth rate (%) a) Agriculture b) Industry c) Service	a) 3.04 b) 9.60 c) 5.83	a)3.49 b)11.85 c)6.68	a) 3.06 b) 11.99 c)6.33	BBS, 2018	All the three sectors are on track
Investment (gross) as % of GDP a) Private Investment b) Public Investment	28.97 a) 22.07 b) 6.9	34.4 a) 26.6 b) 7.8	31.47 a) 23.25 b) 8.22	BBS, 2018	Private Investment needs attention
National savings (as % of GDP)	29.01	32.1	28.07	Ministry of Finance, Bangladesh Bank, 2018	Needs Attention
FDI as % of GDP	0.8	3.0	0.9	Bangladesh Bank, 2018	Off track
External Sector					
(a) Exports and (b) Imports as % of GDP (goods and services)	a)15.8 b)21.1	a) 16.2 b) 21.8	a) 12.7 b) 19.36	Finance Division, Ministry of Finance, 2018	Off track
Remittance as % of GDP	8.0	7.6	3.9	Finance Division, Ministry of Finance ,2018	Off track
Fiscal Sector					
Total Revenue (as % of GDP) Tax Revenue (as % of GDP)	10.8 9.3	16.1 14.1	11.6 10.4	Ministry of finance, 2018	needs attention
Government expenditure (as % of GDP)	15.8	21.1	16.6	Ministry of finance ,2018	Needs attention
Government budget deficit as % of GDP	4.7	4.7	5.00	Ministry of finance, 2018	Off track
Money & Banking					
Broad Money (M2) growth (% change)	16.3	15.9	8.76	Bangladesh Bank, 2018	Off track
Private sector credit growth (% change)	11.5	15	15.31	Bangladesh Bank, 2018	On Track

9 Baseline year mentioned otherwise

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Price					
Average Annual CPI Inflation Rate a) Food inflation b) Non-food inflation	6.5 a)8.6 b)5.45 (FY2014)	5.5	5.4 a) 6.02 b) 4.61	BBS 2018, Ministry of Finance, Bangladesh Bank and 7 th FYP, 2017	On Track
National Priority: Poverty Reduction					
Proportion of population living below national poverty line, differentiated by urban and rural	National:31.5 (HIES 2010)	18.6	National 21.8 (2018 Estimated)	BBS, 2018 &HIES, 2016	On Track
Proportion of population under national extreme poverty line (a) Rural and (b) Urban	Total:17.6 (HIES 2010)	8.0	Nation- al:11.3 (2018 Esti- mated)	BBS ,2018 &HIES, 2016	On Track
Degree of inequality consumption inequality (b) income inequality (Gini coefficient),	(a)0.32 (b)0.45 (2010)	(a) 0.3, (b) 0.45	(a) 0.324, (b) 0.483	HIES, 2016	On Track
Poverty Reduction Strategy					
Government spending on social protection (% of GDP)	2.02	1.80	2.17	BBS 2018, Ministry of Finance, Bangladesh Bank and 7th FYP, 2017	On track
National Priority: Employment Growth					
Percentage of (a) formal and (b) informal employment as a share of total employment by sex	(a)12.5 (M:14.5;F:7.7) (b) 87.5 (M:85.5; F:92.3) (2010)	(a) 15 (b) 85	a) 14.9 b) 85.1	LFS 2016-17	On track
Employed persons aged over 15 years by broad economic sectors (%) a) Agriculture b) Industry c) Service	a) 47.56 b) 15.52 c) 35.35 (2010)	a) 42.1 b) 18.4 c)39.5	a) 40.62 b) 20.4 c) 39.0	LFS 2016-17	On track
Oversees Employment					
Percentage of oversees migration by type, a) Skilled migrant b) Semi-skilled migrant c) Female migrant	a) 36.69 b) 17.10 c)17.86 (2014)	a) 38.0 b) 22.0 c) 30.0	a) 43 b) 15.43 c) 12.09	BMET, 2018 & BER '18	On Track Off Track Off Track
National Priority: Agriculture					

Performance Indicators	Baseline % (2015)	Target 2020	Current	Data Source	Comments
Agricultural sector GDP growth rate (%) a) Crop and horticulture b) Animal Farming c) Forest and related services	a) 1.91 b) 2.83 c) 5.05 (FY 2014)	a) 0.96 b) 3.31 c) 5.6	a) 0.98 b) 3.40, c) 5.51	BBS, 2018 & BER 2018	On Track On Track On Track
% of agriculture budget allocated in the agricultural research	4.2 (2014-15)		8.43	BBS, 2017	
National Priority: Education					
Net enrolment rate (%) by gender in (a) Primary (b) Secondary (c) Tertiary education	(a) Total: 97.7 (2014) Girls: 98.8 Boys: 96.6, (2014) (b) Total: 62.25 (2014) (c) Total: 13.00 (2014)	Total: 100 (Girls: 100, Boys: 100) b) Total: 79.51 (Girls: 84.9, Boys: 73.92)	a) 97.94% (Boys 97.10% and Girls 98.82%) b) Total: 67.00 (Girls: 71.85, Boys: 62.16) (c) Total: 13.00 (2014)	APSC -2016 BES-2015	a) On track b) needs attention c) current data not available
Completion rate (%) in (a) Primary (b) Secondary (c) Tertiary	(a) Total: 79 (Boys: 75, Girls: 82) (2014) (b) Total: 58.41 (c)	(a) Total: 85 (Boys: 85, Girls: 85) (b) Total: 79.63 (Girls: 72.43, Boys 89.85)	(a) Total: 82.1 (Boys: 78.6, Girls: 85.4) (b) Total: 59.71 (Girls: 54.08 Boys: 66.28)	APSC -2016 BES-2015	a) on track b) needs attention c) No target or data available
Number of enrolled children with disabilities	Total: 76,522	Total: 80000 (Boys: 45000, Girls: 35,000)	Total: 67022, (Boys: 37260, Girls: 29762)	APSC -2016	Off track
Percentage of schools that meet the Student Teacher Ratio (STR) standard of 46:1 (%)	62 (2014)	78	61.8	APSC -2016	Off track
Number of students in TVET system by gender Girls	Total: 689663 (2014) (Girls: 27.43%)	Total: 933146 (Girls: 28.08, Boys: 71.92%)	Total: 872658 (Girls: 23.94 Boys: 77.06)	BES-2017	On track

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Adult literacy rate (%) of 15+yrs old population	Total: 58.6 (2013) (Female: 55.4 Male: 62.9)	100	Total: 72.9(Female: 70.1 Male: 75.7)	BSVS-2017	On track
Literacy rate of 15-24-year-olds, women and men (%)	Total: 86 (2014) (Women:81.9 Men: 67.8)	100	Total: 86 (2014) (Women: 81.9, Men: 67.8)	BDHS-2014	New data not available
Public education expenditure as % of GDP	2.18 (2014)	2.5	2.37	Budget FY2018-19	On track
National Priority: Health					
Proportion of births attended medically trained provider (%)	42.1 (2014)	65	50%	NIPORT- BMMS: 2016	On track
Under-five Mortality Rate (per 1,000 live births)	46 (2014)	37	32	World Development Indicators, 2017	Target achieved
Infant Mortality Rate (per 1,000 live births)	38 (2014)	20	27	World Development Indicators, 2017	On track
Maternal Mortality Ratio (per 100,000 live births)	170 (2013)	105	176/ 196	World Bank 2016, BMMS 2016	Off track, needs attention
Total Fertility Rate (children per woman)	2.3 (2014)	2.0	2.10	Ministry of finance, 2015	On track
Life expectancy at birth, total (years)	70.1 (SVRS 2013)	72	71.6	SVRS,2016	On track
Proportion of stunting among under-five children (%)	36.1 (2014)	25	36.1	DGHS, 2014	New data not available
Percentage of unmet need for family planning	12% (2014)	10%	12%	DGHS, 2014	New data not available
Contraceptive Prevalence Rate (%)	62.4 (2014)	75	62.5	SVRS, 2017	Needs attention.
Proportion of births in health facilities by wealth quintiles (ratio of lowest and highest quintiles)	1:4.6 (2014)	01:03.5	1:4.6 (2014)		New data not available
Proportion of children under 6 months who are exclusively breastfed (%)	55.3 (2014)	55.3 (2014)	65	55.3 (2014)	New data not available
HIV prevalence among population/ Maintain low prevalence of HIV	<1% (SS 2011)	<1%	<1%	DGHS,2016	On Track

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Proportion of children fully vaccinated by 12 months (%)	78 (BDHS 2014)	95	Full vaccination 82%	DGHS 2017	Need Attention
National Priority: Water & Sanitation					
Percentage of urban and rural population with access to safe drinking water (a. Urban, b. Rural)	Total: 98.5 a)99.4 b)98.2	(SVRS 2013) a) 100	98.0	SVRS, 2016	Needs attention.
Percentage of urban and rural population with access to sanitary latrines	Total: 64.2	a) 100	a)87 b) 68	SVRS, 2017	On track
National Priority: Transport and Communication					
Length of targeted four-lane road (km)	98 (2014)	556	280.63	RHD	On track
Share of RHD highway road network in good and fair condition (% of network)	76 % (2014)	85%	76 % (2014)	RHD	New Data Not Available
Length of Metro Rail Transit (MRT) network (km)	0	20	0	DTCA	New Data Not Available
Upazila and Union Road network in good and fair condition	33% (2014)	80%	33% (2014)	LGED	New Data Not Available
Length of targeted new railway network (km)	2877 (2014)	3733.3	2877 (2014)	BR	New Data Not Available
Length of targeted new double railway network (km)	0	1110.5	125	BR	On track
Length of navigable waterways (km)	4000	5,750	4000	BIWTA	New Data Not Available
National Priority: Power, Energy and Mineral Resources					
Electricity Installed Generation Capacity (MW)	13540	23,000	17,685	Bangladesh Economic Review, Bangladesh power Development Broad (2018)	On track
Access to electricity (% of households)	72%	96%	90%	Bangladesh Economic Review, Bangladesh power Development Broad (2018)	On track
Per capita generation of electricity (kWh)	371	514	433	Bangladesh Economic Review, Bangladesh power Development Broad (2018)	On track

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Share of renewable energy to the total electricity generation (%) (including hydro)	3.6	10	2.1	Bangladesh Economic Review, Bangladesh power Development Broad (2018)	Off track
National Priority: Gender and inequality					
Percentage of women aged 20-24 who were married before age 18	65 (2011)	30	58.6 (2014)	BDHS-2014	Need attention
Ratio of girls to boys in tertiary education	0.7	1	0.33	BANBEIS 2018, MoE	Off Track
Gender budget as percentage of total budget	27.7(FY 2014)	30	27.3	FD (FY 2017)	Off Track
Percentage of female teachers at (a) primary, (b) secondary (c) tertiary education	a)57 b)24 c)20	a)70 b)35 c)25	a)61.91 b)25.63 c)26.02	BANBEIS, MoE (2017)	On track
Percentage of female officers (class-1) employed in public sector	21 (2014)	25	-	MoPA	New data not available
National Priority: Environment, Climate Change and Disaster Management					
Percentage of land covered by forestry with 70% tree density	13.20 (2013-14)	15.00	13.20 (2013-14)	MoEF	New data not available
Percentage of (a) coastal and (b) marine areas that are protected	(a) 1.22 (2013-14) (b) 0.00 (2013-14)	a) 5.00 b)1.34	(a) 1.22 (2013-14) (b) 0.00 (2013-14)	MoEF	New data not available
Percentage of forests that are protected	1.81 (2013-14)	5.00	1.81 (2013-14)	MoEF	New data not available
Consumption of ozone depleting H-CFCs (Ozone Depleting Potential (ODP))	64.89 (2013)	47.20	64.89 (2013)	MoEF	New data not available
CO2 emissions (tonnes per capita)	0.34	0.38	0.34	MoEF	New data not available
Percentage of wetland and natural sanctuaries maintained	1.7 (2014-15)	2.35	1.7 (2014-15)	MoFL	New data not available
Mean urban air pollution of particulate matter (a) PM10 in µg/m3 (b) PM2.5 in µg/m3	a) 130.90 (2013) b) 78.00 (2013)	105.0 73.0	a) 130.90 (2013) b) 78.00 (2013)	MoEF	New data not available
No. of usable cyclone shelters	3847 (2014)	4,847	3847 (2014)	MoDMR	New data not available

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Number of rural communities with disaster resilient habitats and communities' assets	18000 (2013)	25000	18000 (2013)	MoDMR	New data not available
National Priority: Information and Communication Technology (ICT)					
Expansion of submarine cable network (bandwidth Gbps)	30.57 (2014-15)	150.0	200.0	Budget FY2017-18	Target achieved but not adequate
Percentage of people with phone (Land phone)	0.60 (2010)	1.11	0.5	World Development Indicators	Off Track
Percentage of people with broadband connection	0.01 (2010)	0.1	3.8	World Development Indicators (2018)	Target achieved
Internet users per 100 people population	28.24 (Mar 2015)	40	18.2	World Development Indicators (2018)	Off track, Needs attention.
National Priority: Urban Development					
Percentage of urban population living in slums	33	25	33 (2015)	BBS	New data not available
Percentage of urban population having access to (a)public health service (b) safe drinking water (c) sanitation facilities	a) 87 b)78 c) 80	a) 100 b)100 c) 100	a) 87 b)78 c) 80 (2015)	BBS, DGHS	New data not available
Percentage of urban solid waste regularly collected	63.2	75	63.2 (2015)	LGD, MoLGRD&C	New data not available
National Priority: Governance					
Ministry oversight hearings held by the Parliamentary Standing Committees regularly	13 (2014)	25	13 (2014)	Annual Parliament Secretariat report	New data not available
Weighted average national case disposal rate	32.24 (2012)	50	32.24 (2012)	MoLJPA, Supreme Court Registry	New data not available
Number of access and usage of legal aid services by the poor and disadvantaged group compared to total litigants	22000	37000	22000	Law and Justice Division, MoLJPA	New data not available
Percentage of public institutions using e-	22000	37000	22000	Law and Justice Division, MoLJPA	New data not available

Performance Indicators	Baseline %(2015)	Target 2020	Current	Data Source	Comments
Percentage of public institutions using e-procurement	0 % (2014)	100	0 % (2014)	CPTU, Annual Report	New data not available
Number of queries attended to by the government institutions under right to information act	8442 (2014)	4000	8442 (2014)	Information commission, Annual Report	New data not available
Number of cases settled per year under Alternative Dispute Resolution (ADR) compared to total cases	14,000 (2014)	25,000	14,000 (2014)	Law and Justice Division, MoLJPA	New data not available
National Priority: International Cooperation and Partnership					
Foreign assistance as percentage of ADP and budget support	39.86 %	These indicators will be monitored based on ERD published annual Flow of External Resources Report. The annual comparison will provide a scenario of international cooperation and assistance in the Bangladesh Economy.	(a) 77.93 % (b) 22.07 %	ERD, MoF	New data not available
Percentage of (a) concessional loan and (b) grants to total foreign assistance	(a) 77.93 % (b) 22.07 %		(a) 77.93 % (b) 22.07 %	ERD, MoF	New data not available
Net foreign assistance received by Bangladesh, as percentage of OECD/ DAC donor's GNI	0.0022 (2014)		0.0022 (2014)	ERD	New data not available

Annex 4

Performance Indicators		Recommendation
National Priority: Macroeconomic Stability and Economic Growth		
1	Annual sectoral GDP growth rate (%) - Agriculture sector	<ol style="list-style-type: none"> 1. The arable land area is falling. Improved productivity will be key to achieve future growth of agricultural production. When compared with East Asian countries, there appears to be scope of huge improvement in productivity in Bangladesh. Helping adopt and spread modern technologies by farmers should be a priority. 2. Innovation should be incentivized through research and development (R&D) so that varieties with higher yields can be developed for widespread adoption. 3. Agricultural loans for small farmers at low interest rates can help them adopt new technologies and modernize their production process.
2	Investment (gross) as % of GDP - Private Investment	<ol style="list-style-type: none"> 1. Interest rate should be reduced to single digit. 2. Business climate need to be investor-friendly be improved and the excessive cost of doing business should be tackled. 3. Political unrest/instability should not unnecessarily hamper investment climate in the country.
3	National savings (as % of GDP)	
4	FDI as % of GDP	<ol style="list-style-type: none"> 1. Address the excessive cost of doing business and improve the investment climate in the country. 2. Removal of major impediments in physical infrastructure 3. Strengthening capacity of the local government institutions. 4. Stability in Banking sector, improvement in Customs, Immigration and other service delivery regulatory agencies.
5	Exports and Imports as % of GDP (goods and services)	<ol style="list-style-type: none"> 1. To deal with anti-export bias in trade policy to improve the incentive structure for the export sector in particular. 2. Related to the above, rationalization of the tariff structure in combination with deepening of export incentive would critical policy measures to consider. 3. More policy support for export diversification (in terms of product and market diversification) is needed. 4. After the expiry of the current export policy in 2018, a more pro-active export support policy should be considered. 5. Bilateral or multilateral agreements with partner countries to remove tariff and non-tariff barriers and measures.
6	Remittance as % of GDP	<ol style="list-style-type: none"> 1. Proactive policies needed to explore new market opportunities for migrant workers and more job opportunities in the existing country of destination 2. Creating training facilities for migrant workers and sending more skilled abroad. 3. Reducing cost of migration 4. Pro-active role of the government agencies to negotiate with the governments with other countries 5. Establish faster and safer remittance corridor 6. Discouraging remittance flow through informal channels and reducing transfer cost of remittance. 7. To contain exchange rate appreciations for attracting remittances through official channels,

Performance Indicators		Recommendation
7	Total Revenue (as % of GDP)	<ol style="list-style-type: none"> 1. Increasing capacity of the agencies related to revenue collection i.e. NBR. 2. Improving tax administration and reducing illicit financial flows. 3. Raising social awareness
8	Tax Revenue (as % of GDP)	
9	Government expenditure (as % of GDP)	<ol style="list-style-type: none"> 1. Increasing revenue collection through different measures discussed above. 2. Timely implementation of public sector projects.
10	Government spending on social protection (% of GDP)	<ol style="list-style-type: none"> 1. Increasing allocation for social protection in annual budget. 2. Fund mobilization from different sources.
11	Percentage of overseas migration by skill types- a) Skilled migrant, b) Semi-skilled migrant, c) Female migrant	<ol style="list-style-type: none"> 1. Proper training facilities (language training, industry/sector specific training etc.) should be developed for the migrant workers. 2. Awareness building programmes can be adopted to encourage female migration. In that case, workplace security of the female workers should be ensured.
National Priority: Education		
12	Net enrolment rate (%) by gender in Secondary education	<ol style="list-style-type: none"> 1. Expand and scale up the incentive policies of provide poverty-targeted stipends and tuition to poor students. 2. Innovative and monitored awareness programs following the success of primary education enrolment. 3. Government spending on education needs to be increased to accommodate the requirements for certain.
13	Completion rate (%) in Secondary education	<ol style="list-style-type: none"> 1. Specifically, designed intervention programs to incentivize mass and particularly poor students to continue secondary education. 2. Expand the infrastructure for increasing secondary education establishments in each Upazilla and supply competent teaching staff. 3. Ensure quality assurance mechanism as a compulsory measure.
14	Number of enrolled children with disabilities	<ol style="list-style-type: none"> 1. Policy modifications and social mobilization to include, promote and support education for the disabled students. 2. Raising awareness for increased access to school and to opportunities for skills development and employment for children with disabilities. 3. Reforms required in approaching education as welfare, rather than rights for this marginalized group.
15	Percentage of schools that meet the Student Teacher Ratio (STR) standard of 46:1 (%)	<ol style="list-style-type: none"> 1. Infrastructure expansion is a compulsory, along with an improved management system overall. 2. Special attention required on teachers training centers and programs, also to ensure training on interactive teaching approaches and subject-based training.
16	Adult literacy rate (%) of 15+yrs old population	<ol style="list-style-type: none"> 1. Expand the number of adult education-based institutions, with increased teachers trained on specifically adult education. 2. Non-formal education can play complementary role to formal education to support mass targets. 3. Further accumulation of resources and awareness is required to sustain the growth in adult literacy.
National Priority: Health		

Performance Indicators		Recommendation
17	Maternal Mortality Ratio (per 100,000 live births)	<ol style="list-style-type: none"> 1. Practice of family planning, awareness and safe motherhood care along with accessibility and availability of contraceptives can contribute to basic challenges. 2. Ensuring increase in number of and access to skilled attendants before and during child birth. 3. Expansion of delivery facilities and establishments to ensure complete coverage of maternal health treatment.
National Priority: Transport and Communication		
18	Length of targeted new double railway network (km)	<ol style="list-style-type: none"> 1. Capacity of Bangladesh Railway should be improved. Inefficiencies in the railway should be addressed to make it as a viable and profitable medium of transportation 2. Ongoing projects need to be implemented in a timely manner 3. Projects on-procurement should be initiated timely. 4. Administrative procedures for procurement should be streamlined to deal with the complexities. 5. Resource mobilization is important to undertake new railway projects.
National Priority: Power, Energy and Mineral Resources		
19	Electricity Installed Generation Capacity (MW)	<ol style="list-style-type: none"> 1. Despite Bangladesh's making significant progress in power generation, it was still below the target for 2017. Efforts must continue to fulfil this important target under the 7th FYP. 2. Mobilization of private investment is highly important to achieve the 7th FYP target. Besides, timely implementation of ongoing projects on power generation will be critical.
20	Share of renewable energy to the total electricity generation (%) (including hydro)	<ol style="list-style-type: none"> 1. Development of the capacity and efficiency of SREDA will be critical in the future progress on renewable energy. 2. Energy Efficiency and Conservation Master Plan up to 2030 by SREDA and Power Division should be implemented in a timely manner. 3. Awareness building programme for the use of renewable energy and conservation of energy should get policy attention. 4. Foreign assistance should be sought to develop renewable energy capacity in the country.
National Priority: Gender and inequality		
21	Ratio of girls to boys in tertiary education	<ol style="list-style-type: none"> 1. Provide more incentives (fiscal; safety and security) for female students for tertiary education 2. Higher allocation to tertiary education
22	Gender budget as percentage of total budget	<ol style="list-style-type: none"> 1. Review the methodology of gender for better identification of expenditure items 2. Increase allocation to gender
23	Percentage of female teachers at (a) primary, (b) secondary (c) tertiary education	<ol style="list-style-type: none"> 1. Increase allocation to education budget 2. Recruit more female teachers 3. Ensure safety and care facilities for to the female teachers
National Priority: Information and Communication Technology (ICT)		
24	Percentage of people with phone (Land phone)	<ol style="list-style-type: none"> 1. Remove bureaucratic loss 2. Improve efficiency of BTLC 3. Upgrade technology of the authority and the system 4. Improve competitiveness in terms of price, network, features etc.
25	Internet users per 100 people population	<ol style="list-style-type: none"> 1. Availability of strong network countrywide 2. It is more important to provide 3G services to all corners of the country than run behind up-gradation of network to 4G 3. Price of internet should be affordable for people of all income groups

List of SDG Publication by GED since 2016

1. Integration of Sustainable Development Goals into the 7th Five Year Plan (February 2016)
2. A Handbook on Mapping of Ministries by Targets in the Implementation of SDGs aligning with 7th Five Year Plan (2016-20) (September 2016)
3. Data Gap Analysis for Sustainable Development Goals (SDGs): Bangladesh Perspective (January 2017)
4. টেকসই উন্নয়ন অভিষ্ট, লক্ষ্যমাত্রা ও সূচকসমূহ (মূল ইংরেজী থেকে বাংলায় অনূদিত) (প্রকাশকাল: এপ্রিল ২০১৭)
5. Bangladesh Voluntary National Review (VNR) 2017: Eradicating poverty and promoting prosperity in a changing world (June 2017)
6. SDGs Financing Strategy: Bangladesh Perspective (June 2017)
7. A Training Handbook on Implementation of the 7th Five Year Plan (June 2017)
8. Bangladesh Development Journey with SDGs [Prepared for Bangladesh Delegation to 72nd UNGA Session 2017] (September 2017)
9. Monitoring and Evaluation Framework of Sustainable Development Goals (SDGs): Bangladesh Perspective (March 2018)
10. National Action Plan of Ministries/Divisions by Targets for the Implementation of SDGs (June 2018)
11. Journey with SDGs : Bangladesh is Marching Forward [Prepared for Bangladesh Delegation to 73rd UNGA Session 2018] (September 2018)
12. এসডিজি অভিযাত্রা: এগিয়ে যাচ্ছে বাংলাদেশ (সেপ্টেম্বর ২০১৮)
13. Synthesis Report on First National Conference on SDGs Implementation (November 2018)
14. Sustainable Development Goals: Bangladesh First Progress Report 2018 (December 2018)
15. টেকসই উন্নয়ন অভিষ্ট : বাংলাদেশ অগ্রগতি প্রতিবেদন ২০১৮, প্রকাশ কাল এপ্রিল ২০১৯ইং

List of Notable Publications by General Economics Division (GED) Bangladesh Planning Commission since 2009

1. Policy Study on Financing Growth and Poverty Reduction: Policy Challenges and Options in Bangladesh (May 2009)
2. Policy Study on Responding to the Millennium Development Challenge Through Private Sectors Involvement in Bangladesh (May 2009)
3. Policy Study on The Probable Impacts of Climate Change on Poverty and Economic Growth and the Options of Coping with Adverse Effect of Climate Change in Bangladesh (May 2009)
4. Steps Towards Change: National Strategy for Accelerated Poverty Reduction II (Revised) FY 2009-11 (December 2009)
5. Millennium Development Goals: Bangladesh Progress Report-2009 (2009)
6. Millennium Development Goals: Needs Assessment and Costing 2009-2015 Bangladesh (July 2009)
7. এমডিজি কর্ম-পরিকল্পনা (৫১ টি উপজেলা) (জানুয়ারি-জুন ২০১০)
8. MDG Action Plan (51 Upazillas) (January 2011)
9. MDG Financing Strategy for Bangladesh (April 2011)
10. SAARC Development Goals: Bangladesh Progress Report-2011 (August 2011)
11. Background Papers of the Sixth Five Year Plan (Volume 1-4) (September 2011)
12. 6th Five Year Plan (FY 2011-FY 2015) (December 2011)
13. Millennium Development Goals: Bangladesh Progress Report-2011 (February 2012)
14. Perspective Plan of Bangladesh 2010-2021: Making Vision 2021 a Reality (April 2012)
15. Public Expenditure for Climate Change: Bangladesh Climate Public Expenditure and Institutional Review (October 2012)
16. Development of Results Framework for Private Sectors Development in Bangladesh (2012)
17. ষষ্ঠ পঞ্চবার্ষিক পরিকল্পনা (২০১১-১৫) বাংলা অনুবাদ (অক্টোবর ২০১২)
18. Climate Fiscal Framework (October 2012)
19. Public Expenditure for Climate Change: Bangladesh CPEIR 2012
20. First Implementation Review of the Sixth Five year Plan -2012 (January 2013)
21. বাংলাদেশের প্রথম প্রেক্ষিত পরিকল্পনা ২০১০-২০২১ রূপকল্প ২০২১ বাস্তবে রূপায়ণ (ফেব্রুয়ারি ২০১৩)
22. National Sustainable Development Strategy (2010-2021) (May 2013)
23. জাতীয় টেকসই উন্নয়ন কৌশলপত্র (২০১০-২০২১) [মূল ইংরেজি থেকে বাংলায় অনূদিত] (মে ২০১৩)
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